

# CITY OF MEMPHIS

## COUNCIL REGULAR MEETING

Tuesday , July 21, 2020, 3:30 p.m.

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### SUPPORTING DOCUMENTS MLGW BOND ISSUES

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ITEM #	DESCRIPTION	PAGE #
	Regular Agenda	
22	EIGHTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE ELECTRIC SYSTEM REVENUE OBLIGATIONS MASTER RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED ONE HUNDRED SIXTY MILLION DOLLARS (\$160,000,000) PRINCIPAL AMOUNT OF ELECTRIC SYSTEM REVENUE BONDS, SERIES 2020 <b>APPROVED IN MLGW COMMITTEE ON JULY 7, 2020</b>	1
23	NINTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE ELECTRIC SYSTEM REVENUE OBLIGATIONS MASTER RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED FIFTY-THREE MILLION DOLLARS (\$53,000,000) PRINCIPAL AMOUNT OF ELECTRIC SYSTEM REVENUE REFUNDING BONDS, SERIES 2020 (FEDERALLY TAXABLE) <b>APPROVED IN MLGW COMMITTEE ON JULY 7, 2020</b>	59
24	FOURTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE WATER SYSTEM REVENUE OBLIGATIONS MASTER RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED SEVENTY-FIVE MILLION DOLLARS (\$75,000,000) PRINCIPAL AMOUNT OF WATER SYSTEM REVENUE BONDS, SERIES 2020 <b>APPROVED IN MLGW COMMITTEE ON JULY 7, 2020</b>	130
25	THIRD SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE GAS SYSTEM REVENUE OBLIGATIONS MASTER RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED SEVENTY MILLION DOLLARS (\$70,000,000) PRINCIPAL AMOUNT OF GAS SYSTEM REVENUE BONDS, SERIES 2020 <b>APPROVED IN MLGW COMMITTEE ON JULY 7, 2020</b>	187
22-25	PRELIMINARY OFFICIAL STATEMENT [ALL BOND ISSUES]- <b>DOCUMENT AS PRESENTED AND APPROVED IN MLGW COMMITTEE IS ON FILE WITH COUNCIL RECORDS AND IS AVAILABLE ON REQUEST</b>	244



## City Council Item Routing Sheet

**Division:** City Council    **Committee:** MLGW    **Hearing Date:** July 21, 2020

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Ordinance        | <input checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Grant Acceptance                                 |
| <input type="checkbox"/> Budget Amendment | <input type="checkbox"/> Commendation          | <input type="checkbox"/> Other: <a href="#">Click here to enter text.</a> |

<p><b>Item Description:</b> Resolution approving the issuance of, and recommending to and requesting that the City Council issue and sell, through negotiated sale, not to exceed \$160,000,000 principal amount of, Electric System Revenue Bonds, Series 2020A, pursuant to the Electric System Revenue Obligations Master Resolution, adopted by the MLGW Board on June 20, 2002 and by the City Council on July 2, 2002, as amended and supplemented by the Eighth Supplemental Resolution.</p>	
<p><b>Recommended Council Action:</b> Approve the resolution.</p>	
<p><b>Describe previous action taken by any other entity (i.e. board, commission, task force, council committee, etc.) and date of any action taken:</b> Approved by the MLGW Board of Commissioners on June 30, 2020.</p>	
<p><b>Does this item require city expenditure? Yes</b></p> <p>§Click here to enter text.</p> <p>§Click here to enter text.</p>	<p><b>Source and Amount of Funds:</b></p>

### Approvals

Director \_\_\_\_\_ Date \_\_\_\_\_

Division Chief \_\_\_\_\_ Date \_\_\_\_\_

Budget Manager \_\_\_\_\_ Date \_\_\_\_\_

MLGW SVP, CFO & CAO  
 Secretary-Treasurer Date 6/30/20

**Chief Operating Officer**

\_\_\_\_\_ Date \_\_\_\_\_

**Council Committee Chair**

\_\_\_\_\_ Date \_\_\_\_\_



## Memphis City Council Summary Sheet

- 1. Description of the Item (Resolution, Ordinance, etc.)** Resolution approving the issuance of, and recommending to and requesting that the City Council issue and sell, through negotiated sale, not to exceed \$160,000,000 principal amount of, Electric System Revenue Bonds, Series 2020A, pursuant to the Electric System Revenue Obligations Master Resolution, adopted by the MLGW Board on June 20, 2002 and by the City Council on July 2, 2002, as amended and supplemented by the Eighth Supplemental Resolution.
- 2. Initiating Party (e.g. Public Works, at request of City Council, etc.)**  
Memphis Light, Gas and Water Division
- 3. State whether this is a change to an existing ordinance or resolution, if applicable.**  
Not applicable.
- 4. State whether this requires a new contract, or amends an existing contract, if applicable.**  
Not applicable.
- 5. State whether this requires an expenditure of funds/requires a budget amendment.**  
Not applicable.

**EXCERPT**  
from  
**MINUTES OF MEETING**  
of  
**BOARD OF LIGHT, GAS AND WATER COMMISSIONERS**  
**CITY OF MEMPHIS**  
held  
**June 30, 2020**

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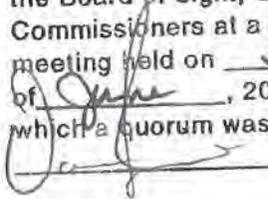
The Secretary-Treasurer recommended that the Board approve the issuance of, and recommend to and request that the City Council issue and sell, through negotiated sale, not to exceed \$160,000,000 principal amount of Electric System Revenue Bonds, Series 2020A (the "Series 2020A Bonds"), pursuant to the Electric System Revenue Obligations Master Resolution, adopted by the Board on June 20, 2002, and by the City Council on July 2, 2002, as amended and supplemented to date (the "Master Resolution"), and as further supplemented by the Eighth Supplemental Resolution, captioned as follows, in substantially the form attached to this resolution as Exhibit "A" (the "Supplemental Resolution"):

AN EIGHTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE ELECTRIC SYSTEM REVENUE OBLIGATIONS MASTER RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED ONE HUNDRED SIXTY MILLION DOLLARS (\$160,000,000) PRINCIPAL AMOUNT OF ELECTRIC SYSTEM REVENUE BONDS, SERIES 2020A; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; APPROVING THE SALE THEREOF BY NEGOTIATION; AUTHORIZING THE PREPARATION AND EXECUTION OF A BOND PURCHASE AGREEMENT AND PAYING AGENT AGREEMENT; AUTHORIZING THE PREPARATION, EXECUTION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT; APPOINTING A BOND REGISTRAR AND PAYING AGENT; AND AUTHORIZING OFFICERS OF THE CITY TO TAKE ALL NECESSARY STEPS TO ACCOMPLISH THE SALE OF THE BONDS.

**NOW THEREFORE, BE IT RESOLVED, THAT,** the Board of Light, Gas & Water Commissioners hereby approves the issuance of the Series 2020A Bonds, adopts

the Supplemental Resolution and recommends the forms, terms and conditions set forth therein to the Council of the City of Memphis for adoption, and to the extent required by the City's Charter and applicable law, requests that the City Council approve, issue and sell the Series 2020A Bonds.

**BE, IT FURTHER RESOLVED THAT**, the President and Secretary-Treasurer are hereby authorized to enter into, execute and/or deliver, and to recommend to the City Council for adoption, any clarifying amendments to the Master Resolution, or any amendments to the Master Resolution requested by any nationally recognized credit agencies that are providing ratings for the Series 2020A Bonds, and the President and Secretary-Treasurer are hereby authorized to enter into, execute and deliver the Bond Purchase Agreement, substantially in the form attached to this Resolution with such changes as they, in their discretion with the advice of Counsel, deem necessary and appropriate, and to prepare, execute and distribute the Preliminary Official Statement and the Official Statement described in the Supplemental Resolution, and to enter into such other agreements and documents and take such other actions as they in their discretion, deem to be necessary and appropriate in order to consummate the transactions contemplated hereby.

I hereby certify that the foregoing is a true copy of a resolution accepted by the Board of Light, Gas and Water Commissioners at a regular-~~special~~ meeting held on 30<sup>th</sup> day of June, 2020, at which a quorum was present.  
  
Secretary-Treasurer



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**CITY OF MEMPHIS, TENNESSEE**

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**EIGHTH SUPPLEMENTAL RESOLUTION**

**RELATING TO**

**ELECTRIC SYSTEM REVENUE BONDS  
SERIES 2020A**

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**Adopted [\_\_\_\_], 2020  
By the Board of Commissioners of the  
Memphis Light, Gas and Water Division**

**Adopted [\_\_\_\_], 2020  
By the City Council of the  
City of Memphis, Tennessee**

## **EIGHTH SUPPLEMENTAL RESOLUTION**

**EIGHTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE ELECTRIC SYSTEM REVENUE OBLIGATIONS MASTER RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED ONE HUNDRED SIXTY MILLION DOLLARS (\$160,000,000) PRINCIPAL AMOUNT OF ELECTRIC SYSTEM REVENUE BONDS, SERIES 2020A; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; APPROVING THE SALE THEREOF BY NEGOTIATION; AUTHORIZING THE PREPARATION AND EXECUTION OF A BOND PURCHASE AGREEMENT AND PAYING AGENT AGREEMENT; AUTHORIZING THE PREPARATION, EXECUTION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT; APPOINTING A BOND REGISTRAR AND PAYING AGENT; AND AUTHORIZING OFFICERS OF THE CITY TO TAKE ALL NECESSARY STEPS TO ACCOMPLISH THE SALE OF THE BONDS**

**WHEREAS**, the City Council (the "Council") of the City of Memphis, Tennessee (the "City"), by resolution adopted on July 2, 2002, and the Board of Light, Gas and Water Commissioners (the "Board") of the Memphis Light, Gas and Water Division (the "Division"), by resolution adopted on June 20, 2002 (the "Master Resolution"), authorized electric system revenue obligations to finance the construction, extension, improvements and equipping of the electric system and facilities of the City operated by the Division (collectively, the "System", as more fully defined in the Master Resolution), and to refinance certain outstanding obligations of the City the proceeds of which were used to finance the construction, extension, improvements, and equipping of the System and/or refinance certain outstanding obligations of the City issued to finance improvements to the System; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a First Supplemental Resolution adopted by the City on July 2, 2002, and by the Division on June 20, 2002, Forty-One Million Six Hundred Twenty-Five Thousand Dollars (\$41,625,000) aggregate principal amount of its Electric System Revenue Refunding Bonds, Series 2002 (the "Series 2002 Bonds"), which such Series 2002 Bonds are no longer outstanding, to currently refund certain obligations of the City; and

**WHEREAS**, the Master Resolution has been amended by the First Supplemental Amending Resolution Relating to Master Electric Resolution, adopted by the City on October 21, 2003, and by the Division on October 16, 2003 (the "First Supplemental Amending Resolution"); and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a Second Supplemental Resolution adopted by the City on October 21, 2003, and by the Division on October 16, 2003, One Billion Three Hundred Ninety-Two Million One Hundred Seventy Thousand Dollars (\$1,392,170,000) aggregate principal amount of its Electric

System Subordinate Revenue Bonds, Series 2003A (the "Series 2003A Bonds"), and its Electric System Subordinate Revenue Bonds, Series 2003B (Auction Rate Securities) (the "Series 2003B Bonds," and the Series 2003A Bonds and the Series 2003B Bonds are also sometimes collectively referred to as the "Series 2003 Bonds"), which such Series 2003A Bonds are no longer outstanding and such Series 2003B Bonds have been refunded as described below; the Series 2003 Bonds were issued to prepay for capacity costs that entitled the Division to purchase electricity from the Tennessee Valley Authority ("TVA") for a period of fifteen years pursuant to an agreement among the City, the Division and TVA; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a Third Supplemental Resolution adopted by the City on June 3, 2008, and by the Division on May 1, 2008, Ninety-Six Million Nine Hundred Thirty Thousand Dollars (\$96,930,000) aggregate principal amount of its Electric System Subordinate Revenue Refunding Bonds, Series 2008 (the "Series 2008 Bonds"), which such Series 2008 Bonds are no longer outstanding, for the purpose of refunding the Series 2003B Bonds in their entirety; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a Fourth Supplemental Resolution adopted by the City on November 3, 2009, ratified and re-adopted by the City on December 1, 2009, and adopted by the Division on October 15, 2009, Four Hundred Sixty Million Fifty Thousand Dollars (\$460,050,000) aggregate principal amount of its Electric System Subordinate Revenue Refunding Bonds, Series 2010 (the "Series 2010 Bonds"), which such Series 2010 Bonds are no longer outstanding, for the purpose of refunding a portion of the Series 2003A Bonds; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a Fifth Supplemental Resolution adopted by the City on April 15, 2014, and adopted by the Division on April 8, 2014, Seventy-One Million Dollars (\$71,000,000) aggregate principal amount of its Electric System Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), which such Series 2014 Bonds are currently outstanding in the principal amount of \$58,240,000, for the purpose of financing the Costs of acquisition, expansion and/or improvements to the System; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a Sixth Supplemental Resolution adopted by the City on July 5, 2016, and adopted by the Division on June 1, 2016, Forty Million Dollars (\$40,000,000) aggregate principal amount of its Electric System Revenue Bonds, Series 2016 (the "Series 2016 Bonds"), which such Series 2016 Bonds are currently outstanding in the principal amount of \$36,040,000, for the purpose of financing the Costs of acquisition, expansion and/or improvements to the System; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a Seventh Supplemental Resolution adopted by the City on August 22, 2017, and adopted by the Division on July 19, 2017, Ninety Million Dollars (\$90,000,000) aggregate principal amount of its Electric System Revenue Bonds, Series 2017 (the "Series 2017 Bonds"), which such Series 2017 Bonds are currently outstanding in the principal amount of \$84,200,000, for the purpose of financing the Costs of acquisition, expansion and/or improvements to the System; and

**WHEREAS**, the Master Resolution requires that any supplemental resolution providing for the issuance of Revenue Obligations pursuant thereto specify certain matters with respect to such Revenue Obligations; and

**WHEREAS**, the Board has recommended to and requested that the Council issue pursuant to the Master Resolution, as supplemented by this Eighth Supplemental Resolution, not to exceed One Hundred Sixty Million Dollars (\$160,000,000) in principal amount of Electric System Revenue Bonds, Series 2020A (the "Series 2020A Bonds"), to finance the Costs of acquisition, expansion and/or improvements to the System, including the reimbursement of certain of such Costs incurred prior to the issuance of the Series 2020A Bonds (the "Series 2020A Project"), and to pay the costs of issuance and sale of the Series 2020A Bonds; and

**WHEREAS**, the issuance of the Series 2020A Bonds shall be accomplished in compliance with the Division's Debt Management Policy; and

**WHEREAS**, the principal of and interest on the Series 2020A Bonds shall be payable solely from and be secured by a pledge of the Pledged Revenues (as defined in the Master Resolution) consisting of a Senior Lien on the General Revenues and the funds and accounts established for the Series 2020A Bonds which is on a parity and equality of lien with respect to such Pledged Revenues with any Outstanding Senior Lien Revenue Obligations and any additional Senior Lien Revenue Obligations hereafter issued and senior in lien and right of payment to any Outstanding Subordinate Lien Obligations or any Subordinate Lien Obligations issued in the future; and

**WHEREAS**, as of the date hereof, the Outstanding Series 2014 Bonds, the Outstanding Series 2016 Bonds, and the Outstanding Series 2017 Bonds are the only Outstanding Revenue Obligations under the Resolution, and each of the Outstanding Series 2014 Bonds, the Outstanding Series 2016 Bonds, and the Outstanding 2017 Bonds constitute Senior Lien Revenue Obligations under the Resolution; and

**WHEREAS**, for the purposes of authorizing the negotiated sale of the Series 2020A Bonds, the pledging of the Pledged Revenues for the payment of the principal of and interest on the Series 2020A Bonds, the preparation, execution and delivery of a bond purchase agreement and a paying agent agreement, the preparation, execution and distribution of a preliminary and final official statement, the appointment of a paying agent and bond registrar, and authorizing the execution of such documents and certificates as shall be necessary to consummate the sale and delivery of the Series 2020A Bonds, the City Council of the City of Memphis, Tennessee, adopts this Eighth Supplemental Resolution.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE AS FOLLOWS:**

**ARTICLE I  
DEFINITIONS AND FINDINGS**

**SECTION 1.01 Eighth Supplemental Resolution; Definitions.**

This Eighth Supplemental Resolution is adopted pursuant to and in accordance with Section 2.01 of the Master Resolution. The definitions in the Master Resolution and all terms, covenants, restrictions and provisions of the Master Resolution shall be applicable to the Series 2020A Bonds authorized by this Eighth Supplemental Resolution and the proceeds thereof, except as otherwise expressly provided herein. The Master Resolution, as previously supplemented and as amended by the First Supplemental Amending Resolution and as supplemented by this Eighth Supplemental Resolution (hereinafter sometimes referred to collectively as the "Resolution"), shall be read, taken and construed as one and the same instrument. All terms as defined in the Master Resolution shall have the same meaning herein, unless the context otherwise indicates.

**SECTION 1.02 Special Definitions.**

Except as provided by this Eighth Supplemental Resolution, all terms which are defined in Section 1.01 of the Master Resolution, as amended by the First Supplemental Amending Resolution, shall have the same meanings, respectively, in this Eighth Supplemental Resolution as such terms are given in said Section 1.01 of the Master Resolution. As used in this Eighth Supplemental Resolution, the following words and phrases shall have the meanings hereinafter set forth unless the context shall clearly indicate that another meaning is intended.

**"Beneficial Owner"** has the meaning specified in Section 2.01(i) hereof.

**"Bond Purchase Agreement"** means a Bond Purchase Agreement, dated as of the sale of the Series 2020A Bonds, entered into by and among the City, the Division and the Underwriters, in the form of the document attached hereto and incorporated herein by reference as Exhibit A, subject to such changes therein as shall be permitted by Section 4.01 hereof.

**"Bond Registrar"** means Regions Bank, Nashville, Tennessee, appointed as Bond Registrar for the Series 2020A Bonds under Section 2.01(d) hereof and approved under Section 4.01(d) hereof, or any successor designated by the Council.

**"Bond Series Certificate"** means the certificate executed and delivered by the Mayor of the City and the President or Secretary-Treasurer of the Division, fixing terms, conditions and other details of the Series 2020A Bonds, including the terms and conditions for redemption of the Series 2020A Bonds, if any, within the parameters established under this Eighth Supplemental Resolution.

**"Book-Entry Form" or "Book-Entry System"** means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the City or the Bond Registrar/Paying Agent, constitute the record that identifies and records the transfer of, the beneficial "book-entry" interests in those bonds.

**“Co-Bond Counsel”** means The Wade Law Firm, PLLC, Butler Snow LLP or any other attorney at law or a firm of attorneys, designated by the City, of nationally recognized standing in matters pertaining to the excludability from gross income for federal income tax purposes of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

**“Code”** means the Internal Revenue Code of 1986, as amended and any regulations thereunder.

**“Defaulted Interest”** has the meaning specified in Section 2.01(f) hereof.

**“Depository”** means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC.

**“Division”** means the Board of Light, Gas and Water Commissioners operating the Memphis Light, Gas and Water Division of the City, established pursuant to Private Acts of Tennessee, 1939, Chapter 381, as amended, and any board, body, agency or instrumentality of the City which shall hereafter succeed to the powers, duties and functions of said Board.

**“DTC”** means The Depository Trust Company, New York, New York, or its nominee, or its successors and assigns, or any other depository performing similar functions under the Resolution.

**“DTC Participant(s)”** means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System.

**“Eighth Supplemental Resolution”** means this resolution adopted by the Council supplementing the Master Resolution and authorizing the issuance of the Series 2020A Bonds.

**“First Supplemental Amending Resolution”** has the meaning assigned to such term in the recitals to this Eighth Supplemental Resolution.

**“Interest Payment Date”** means the first day of June and December of each year the Series 2020A Bonds are outstanding, commencing December 1, 2020, or such other dates as shall be established pursuant to Section 4.01 hereof.

**“Master Resolution”** means the Electric System Revenue Obligations Master Resolution adopted by the City on July 2, 2002, and by the Board on June 20, 2002, as amended from time to time, authorizing the issuance of electric system revenue obligations pursuant to supplemental resolutions.

**“Paying Agent Agreement”** shall mean the Paying Agent Agreement dated as of the date of the Series 2020A Bonds, to be entered into by and between the City and the Bond Registrar/Paying Agent.

**“Paying Agent”** means Regions Bank, Nashville, Tennessee, appointed as Paying Agent for the Series 2020A Bonds under Section 2.01(d) hereof and approved under Section 4.01(d) hereof, or any successor designated by the Council.

**“Principal Payment Date”** means, with respect to the Series 2020A Bonds, the first day of December in the years 2021 through and including 2050, or on such other dates as shall be established pursuant to Section 4.01 hereof.

**“Record Date”** means with respect to the Series 2020A Bonds, the fifteenth (15<sup>th</sup>) day of the month preceding each Interest Payment Date, whether or not such date is a business day.

**“Rule 15c2-12”** has the meaning specified in Section 4.04 hereof.

**“Series 2020A Bonds”** means not to exceed \$160,000,000 Electric System Revenue Bonds, Series 2020A of the City, to be dated the date of issuance, or such other date and series designation shall be established pursuant to Section 4.01 hereof.

**“Series 2020A Project”** has the meaning assigned to such term in the recitals to this Eighth Supplemental Resolution.

**“Special Record Date”** has the meaning specified in Section 2.01(f) hereof.

**“Underwriter(s)”** means Raymond James & Associates, Inc., Memphis, Tennessee and any other underwriters selected pursuant to Section 4.01 hereof.

### **SECTION 1.03 Findings of the Council.**

It is hereby found and determined by the Council as follows:

It is advantageous for the City to issue the Series 2020A Bonds for the purpose of (a) financing the Costs of the Series 2020A Project and (b) paying the costs of issuance and sale of the Series 2020A Bonds.

## **ARTICLE II AUTHORIZATION AND TERMS OF SERIES 2020A BONDS**

### **SECTION 2.01 Authorization and Terms of the Series 2020A Bonds.**

(a) Pursuant to the provisions of Chapter 34, Title 7, Tennessee Code Annotated, the Charter of the City and the Master Resolution, and for the purpose of providing funds to finance the Costs of the Series 2020A Project and to pay the costs incident to the issuance and sale of the Series 2020A Bonds, as more fully set forth in Section 4.01 hereof, there are hereby authorized to be issued electric system revenue bonds of the City in the aggregate principal amount of not to exceed \$160,000,000. The Series 2020A Bonds shall be issued as Senior Lien Revenue Obligations under the Master Resolution and are entitled to the benefit, protection and security of the provisions of the Master Resolution in the manner provided herein. The Series 2020A Bonds shall be issued under the Master Resolution in fully registered, book-entry only form, without coupons, shall be known as “Electric System Revenue Bonds, Series 2020A” ), or such other

appropriate designation as may be determined by the Mayor and the President or Secretary-Treasurer of the Division pursuant to Section 4.01 hereof, and shall be dated the date of issuance, or such other dated date as may be determined by the Mayor and the President or Secretary-Treasurer of the Division pursuant to Section 4.01 hereof and shall be lettered 20AR and numbered from one (1) consecutively upwards. The rate or rates on the Series 2020A Bonds shall not exceed five and one-half percent (5.50%) per annum. Subject to the adjustments permitted pursuant to Section 4.01 hereof, interest on the Series 2020A Bonds shall be payable semi-annually on each Interest Payment Date, commencing December 1, 2020. The Series 2020A Bonds shall be issued in \$5,000 denominations or integral multiples thereof, as shall be requested by the Underwriter, and shall mature on each Principal Payment Date commencing December 1, 2021, and ending December 1, 2050, the final maturity date of the Series 2020A Bonds (with each such date being subject to the adjustments permitted pursuant to Section 4.01 hereof) in such amounts and at such rates as shall be established in the Bond Series Certificate.

(b) The Debt Service Reserve Requirement, if any, for the Series 2020A Bonds shall be determined by the Mayor and the President or Secretary-Treasurer to the extent not inconsistent with this Resolution.

(c) The Series 2020A Bonds may contain such optional or mandatory redemption provisions, if any, as may be determined by the Mayor and the President or Secretary-Treasurer of the Division pursuant to Section 4.01 hereof. Any notice of redemption of Series 2020A Bonds shall be given by the Bond Registrar on behalf of the Division by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Series 2020A Bonds to be redeemed, and any such notice of redemption shall otherwise comply with Article III of the Master Resolution.

(d) The Bond Registrar/Paying Agent is hereby appointed and is hereby authorized and directed to maintain the Bond Register with respect to the Series 2020A Bonds, to authenticate and deliver the Series 2020A Bonds as provided herein and in the Master Resolution, either at original issuance or upon transfer, to effect transfers of the Series 2020A Bonds, to make all payments of principal and interest with respect to the Series 2020A Bonds as provided herein, to cancel and destroy Series 2020A Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the City at least annually a certificate of destruction with respect to Series 2020A Bonds canceled and destroyed, and to furnish the City at least annually an audit confirmation of Series 2020A Bonds paid, Series 2020A Bonds outstanding and payments made with respect to interest on the Series 2020A Bonds. The President of the Division is hereby authorized to execute and the Secretary-Treasurer is hereby authorized to attest such written agreement between the City and the Bond Registrar/Paying Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Bond Registrar/Paying Agent. The payment of all reasonable fees and expenses of the Bond Registrar/Paying Agent by the Division for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

(e) The Series 2020A Bonds shall be payable, principal and interest, in lawful money of the United States of America at the principal corporate trust office of the Paying Agent as provided in the Master Resolution. All rates of interest specified herein shall be computed on the

basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

(f) Any interest on any Bond that is payable but is not punctually paid or duly provided for on any Interest Payment Date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the City to the persons in whose names the Series 2020A Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the City shall notify the Bond Registrar/Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the City shall deposit with the Bond Registrar/Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Bond Registrar/Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Bond Registrar/Paying Agent of the notice of the proposed payment, the Bond Registrar/Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest, which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Bond Registrar/Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Bond Registrar/Paying Agent as of the date of such notice. Nothing contained in this Section or in the Series 2020A Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the City to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series 2020A Bonds when due.

(g) The Series 2020A Bonds may be transferred and exchanged as provided in the Master Resolution; provided, however, the Bond Registrar/Paying Agent shall not be required to transfer or exchange any Bond during the period commencing on a Record Date or Special Record Date and ending on the corresponding Interest Payment Date of such Bond. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar/Paying Agent shall be affected by any notice to the contrary whether or not any payments due on the Series 2020A Bonds shall be overdue.

(h) The Series 2020A Bonds shall be executed as provided in Section 2.03 of the Master Resolution.

(i) Except as otherwise provided in this Eighth Supplemental Resolution, the Series 2020A Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Series 2020A Bonds. References in this Section to a Series 2020A Bond or the Series 2020A Bonds shall be construed to mean the Series 2020A Bond or the Series 2020A Bonds that are held under the Book-Entry System. One Series 2020A Bond for each

maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series 2020A Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series 2020A Bonds. Beneficial ownership interests in the Series 2020A Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series 2020A Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series 2020A Bonds. Transfers of ownership interests in the Series 2020A Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES 2020A BONDS, THE BOND REGISTRAR/PAYING AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE SERIES 2020A BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF AND INTEREST ON THE SERIES 2020A BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE BOND REGISTRAR/PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal and interest with respect to the Series 2020A Bonds, so long as DTC is the only owner of the Series 2020A Bonds, shall be paid by the Bond Registrar/Paying Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation relating to the Series 2020A Bonds from the City and the Bond Registrar/Paying Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The City and the Bond Registrar/Paying Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Series 2020A Bonds or (2) the City determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Series 2020A Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2020A Bonds, the City shall discontinue the Book-Entry System with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City shall cause the Bond Registrar/Paying Agent to authenticate and deliver replacement Series 2020A Bonds in the form of fully registered Series 2020A Bonds to each Beneficial Owner in accordance with the Master Resolution.

THE CITY AND THE BOND REGISTRAR/PAYING AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES 2020A BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO

ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2020A BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS; (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2020A BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

(j) The Bond Registrar/Paying Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series 2020A Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series 2020A Bonds, utilization of electronic book-entry data received from DTC in place of actual delivery of Series 2020A Bonds and provision of notices with respect to Series 2020A Bonds registered by DTC (or any of its designees identified to the Bond Registrar/Paying Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Series 2020A Bonds, provided, however, that the Bond Registrar/Paying Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

(k) The Bond Registrar/Paying Agent is hereby authorized to authenticate and deliver the Series 2020A Bonds to the Underwriter, as the original purchaser, upon receipt by the Division, on behalf of the City, of the proceeds of the sale thereof and to authenticate and deliver Series 2020A Bonds in exchange for Series 2020A Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series 2020A Bonds shall not be valid for any purpose unless authenticated by the Bond Registrar/Paying Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

## **SECTION 2.02 Security and Source of Payment.**

The Series 2020A Bonds are payable solely from and secured by a pledge of the Pledged Revenues as provided in the Master Resolution, consisting of a Senior Lien on the General Revenues and the funds and accounts established for the Series 2020A Bonds, which is on a parity and equality of lien with respect to such Pledged Revenues with any Outstanding Senior Lien Revenue Obligations and any additional Senior Lien Revenue Obligations hereafter issued, and such lien is senior in lien and right of payment to any Outstanding Subordinate Lien Obligations or any Subordinate Lien Obligations issued in the future. As set forth in the Master Resolution, the City has no obligation to levy any taxes to pay the Series 2020A Bonds, and therefore the owners of the Series 2020A Bonds shall have no recourse to the power of taxation of the City. The punctual payment of principal of, premium, if any, and interest on the Series 2020A Bonds and any Additional Obligations hereafter issued as Senior Lien Revenue Obligations under the Master Resolution shall be secured equally and ratably by said Pledged Revenues without priority by reason of series, number or time of sale and delivery. The City has covenanted that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of, premium, if any, and interest on Revenue Obligations issued under the Master Resolution,

including the Series 2020A Bonds and any bonds hereafter issued on a parity with the Series 2020A Bonds, as each payment becomes due. For a more complete statement of the general covenants and provisions pursuant to which the Series 2020A Bonds are issued, reference is hereby made to said Resolution.

[Remainder of page intentionally left blank]

**ARTICLE III  
FORM OF SERIES 2020A BONDS**

The Series 2020A Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Series 2020A Bonds are prepared and delivered:

(Form of Face of Bond)

AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE RESOLUTION TO THE CONTRARY, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO A NOMINEE OF DTC, OR BY A NOMINEE OF DTC TO DTC OR A NOMINEE OF DTC, OR BY DTC OR A NOMINEE OF DTC TO ANY SUCCESSOR SECURITIES DEPOSITORY OR ANY NOMINEE THEREOF.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT FOR PAYMENT OF PRINCIPAL OR REDEMPTION PRICE, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, CEDE & CO., AS NOMINEE OF DTC, HAS AN INTEREST HEREIN.

REGISTERED  
Number 20AR-\_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TENNESSEE  
COUNTY OF SHELBY  
CITY OF MEMPHIS

ELECTRIC SYSTEM REVENUE BOND, SERIES 2020A

Interest Rate:

Maturity Date:

Date of Bond:

CUSIP No.

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That the City of Memphis, a municipal corporation lawfully organized and existing in Shelby County, Tennessee (the "City"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date, said interest being payable on December 1, 2020, and semi-annually thereafter on the first day of June and December in each year until this Series 2020A Bond matures. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of Regions Bank, Nashville, Tennessee, as registration agent and paying agent (the "Bond Registrar/Paying Agent"). The Bond Registrar/Paying Agent shall make all interest payments with respect to this Series 2020A Bond on each interest payment date directly to the registered owner hereof shown on the Series 2020A Bond registration records maintained by the Bond Registrar/Paying Agent as of the close of business on the fifteenth (15<sup>th</sup>) day of the month next preceding the interest payment date (the "Record Date") by check or draft mailed to such owner at such owner's address shown on said Series 2020A Bond registration records, without, except for final payment, the presentation or surrender of this Series 2020A Bond, and all such payments shall discharge the obligations of the City to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Series 2020A Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Bond Registrar/Paying Agent, notice of which shall be given to the owners of the Series 2020A Bonds of the issue of which this Series 2020A Bond is one not more than fifteen (15) nor less than ten (10) days prior to such Special Record Date. Payment of principal of this Series 2020A Bond shall be made when due upon presentation and surrender of this Series 2020A Bond to the Bond Registrar/Paying Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Series 2020A Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2020A Bonds of the series of which this Series 2020A Bond is one. One Series 2020A Bond for each maturity of the Series 2020A Bonds shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Series 2020A Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Series 2020A Bonds, the City and the Bond Registrar/Paying Agent shall treat Cede & Co., as the only owner of the Series 2020A Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of and interest on the Series

2020A Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, premium, if any, and interest with respect to the Series 2020A Bonds, so long as DTC is the only owner of the Series 2020A Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the City nor the Bond Registrar/Paying Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Series 2020A Bonds or (2) the City determines that the continuation of the book-entry system of evidence and transfer of ownership of the Series 2020A Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2020A Bonds, the City may discontinue the book-entry system with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City shall cause the Bond Registrar/Paying Agent to authenticate and deliver replacement Series 2020A Bonds in the form of fully registered Series 2020A Bonds to each Beneficial Owner. Neither the City nor the Bond Registrar/Paying Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Series 2020A Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Series 2020A Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners; (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Series 2020A Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

[Series 2020A Bonds of the issue of which this Series 2020A Bond is one maturing \_\_\_\_\_ through \_\_\_\_\_ shall mature without the option of prior redemption. Series 2020A Bonds of the issue of which this Series 2020A Bond is one maturing \_\_\_\_\_ (or portions thereof in installments of \$5,000) and thereafter shall be subject to redemption at the option of the City, at the direction of the Board of the Memphis Light, Gas and Water Division (the "Division"), in whole or in part on \_\_\_\_\_, any by lot within a maturity (if less than a full maturity is to be redeemed), and at any time thereafter at a price of par plus interest accrued to the redemption date.]

OR, [The Series 2020A Bonds shall not be subject to redemption prior to maturity].

Notice of any redemption of Series 2020A Bonds shall either (i) explicitly state that the proposed redemption is conditioned on there being on deposit in the applicable fund or account on the redemption date sufficient money to pay the full redemption price of the Series 2020A Bonds to be redeemed, or (ii) be sent only if sufficient money to pay the full redemption price of the Series 2020A Bonds to be redeemed is on deposit in the applicable funds or account.

IF TERM BONDS ARE ISSUED, THE FOLLOWING PROVISIONS SHALL BE INCLUDED:

[The City, at the direction of the Division, shall redeem Series 2020A Bonds maturing \_\_\_\_\_ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Series 2020A Bonds of which this Series 2020A Bond is one, or such Person as shall then be serving as the securities depository for the Series 2020A Bonds, shall determine the interest of each DTC Participant in the Series 2020A Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Series 2020A Bonds, the Series 2020A Bonds to be redeemed within a maturity shall be selected by the Bond Registrar by lot or such other random manner as the Bond Registrar in its discretion shall select. The dates of redemption and principal amount of Series 2020A Bonds to be redeemed on said dates are as follows:

<u>Stated Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Series 2020A Bonds Redeemed</u>
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\*Final Maturity

At its option, to be exercised on or before the forty-fifth (45<sup>th</sup>) day next preceding any such redemption date, the City, at the direction of the Division, may (i) deliver to the Bond Registrar for cancellation Series 2020A Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2020A Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Bond Registrar and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series 2020A Bond so delivered or previously purchased or redeemed shall be credited by the Bond Registrar at 100% of the principal amount thereof on the obligation of the City on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series 2020A Bond to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The City, at the direction of the Division, shall on or before the forty-fifth (45<sup>th</sup>) day next preceding each payment furnish the Bond Registrar with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Notice of call for redemption shall be given by the Bond Registrar on behalf of the Division by mailing a copy of an official redemption notice by first class mail at least twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owners of the Series 2020A Bonds to be redeemed at the addresses shown on the Bond Register. As long as DTC, or a successor Depository, is the registered owner of the Series 2020A Bonds, all redemption notices shall be mailed by the Bond Registrar to DTC, or such

successor Depository, as the registered owner of the Series 2020A Bonds, as and when above provided, and none of the City, the Division nor the Bond Registrar shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Series 2020A Bonds called for redemption shall cease to bear interest if funds are available at the office of the Bond Registrar for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.

This Series 2020A Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar/Paying Agent set forth above, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Series 2020A Bond. Upon such transfer, a new Series 2020A Bond or Series 2020A Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Series 2020A Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar/Paying Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Series 2020A Bonds, upon surrender to the Bond Registrar/Paying Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Series 2020A Bonds of the same maturity in any authorized denomination or denominations, upon the terms set forth in the Resolution. The Bond Registrar/Paying Agent shall not be required to transfer or exchange any Series 2020A Bond during the period commencing on a Record Date or Special Record Date and ending on the corresponding interest payment date of such Series 2020A Bond.

This Series 2020A Bond is one of a total authorized issue aggregating \$\_\_\_\_\_ and issued by the City for the purpose of providing funds to finance the Costs of acquisition, expansion and/or improvements to the System and to pay costs of issuance to the Series 2020A Bonds, under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 7-34-101 *et seq.*, and Sections 9-21-101, *et seq.*, Tennessee Code Annotated, and pursuant to the Master Resolution duly adopted by the City Council of the City on the 2<sup>nd</sup> day of July, 2002, as amended and supplemented from time to time and in particular as supplemented by the Eighth Supplemental Resolution duly adopted by the City Council of the City on the [ ] day of [ ], 2020 (collectively, the "Resolution").

This Series 2020A Bond and the interest thereon is payable solely from and secured by a pledge of the Pledged Revenues (as defined in the Master Resolution) as provided in the Master Resolution, consisting of a Senior Lien on the General Revenues and the funds and accounts established for the Series 2020A Bonds, which is on a parity and equality of lien with respect to such Pledged Revenues with any Outstanding Senior Lien Revenue Obligations and any additional Senior Lien Revenue Obligations hereafter issued, and such lien is senior in lien and right of payment to any Outstanding Subordinate Lien Obligations or any Subordinate Lien Obligations issued in the future. As set forth in the Master Resolution, the City has no obligation to levy any taxes to pay the Series 2020A Bonds, and therefore the owners of the Series 2020A Bonds shall have no recourse to the power of taxation of the City. The Series 2020A Bonds do

not constitute a debt of the City or the Division. The punctual payment of principal of, premium, if any, and interest on the Series 2020A Bonds and any Additional Obligations hereafter issued as Senior Lien Revenue Obligations under the Master Resolution shall be secured equally and ratably by said Pledged Revenues without priority by reason of series, number or time of sale and delivery. The City has covenanted that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of, premium, if any, and interest on Revenue Obligations issued under the Master Resolution. For a more complete statement of the security for the Series 2020A Bonds, the rate covenant referenced in the previous sentence and the general covenants and provisions pursuant to which this Series 2020A Bond is issued, reference is hereby made to the Resolution.

This Series 2020A Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Series 2020A Bond during the period the Series 2020A Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2020A Bond in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

This Series 2020A Bond shall not be entitled to any benefit under the Resolution, or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Bond Registrar of the Bond Registrar's Certificate of Authentication hereon.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2020A Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2020A Bond, together with all other indebtedness of the City, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the City has caused this Series 2020A Bond to be signed by its Mayor with his manual or facsimile signature and attested by its Comptroller with her manual or facsimile signature under an impression or facsimile of the corporate seal of the City, all as of the date hereinabove set forth.

CITY OF MEMPHIS, TENNESSEE

BY: \_\_\_\_\_  
Mayor

(SEAL)

ATTESTED:

\_\_\_\_\_  
Comptroller

Transferable and payable at the principal corporate trust office of:

Date of Registration: \_\_\_\_\_

This Series 2020A Bond is one of the issue of Series 2020A Bonds issued pursuant to the Resolution hereinabove described.

REGIONS BANK, Bond Registrar/Paying Agent

By: \_\_\_\_\_  
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto \_\_\_\_\_, whose address is \_\_\_\_\_ (Please insert Federal Identification or Social Security Number of Assignee \_\_\_\_\_), the within Series 2020A Bond of the City of Memphis, Tennessee, and does hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the said Series 2020A Bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Series 2020A Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE; Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Bond Registrar/Paying Agent.

[Remainder of page intentionally left blank]

**ARTICLE IV**  
**SALE OF SERIES 2020A BONDS, APPROVAL OF OFFICIAL STATEMENT,**  
**ESTABLISHMENT OF ACCOUNTS**

**SECTION 4.01      Sale of Series 2020A Bonds.**

(a) The Series 2020A Bonds shall be sold by the Mayor and the President or Secretary-Treasurer of the Division to the Underwriters through a negotiated sale at a price of not less than 97% of the par value of the Series 2020A Bonds actually issued, plus accrued interest, as shall be determined by the Mayor and the President or Secretary-Treasurer of the Division. The sale of the Series 2020A Bonds by the Mayor shall be binding on the City, and no further action of the Council or the Division with respect thereto shall be required.

(b) To facilitate the sale of the Series 2020A Bonds in a manner that is in the best interest of the City and the Division and results in the greatest financial benefit for the City, the Mayor and the President or Secretary-Treasurer of the Division are authorized to establish the following with respect to the Series 2020A Bonds pursuant to the Bond Series Certificate: (1) to change the dated date of the Series 2020A Bonds to a date other than the date of issuance; (2) to change the series designation of the Series 2020A Bonds; (3) to adjust principal and interest payment dates of the Series 2020A Bonds so long as the final maturity dates are not later than December 1, 2050; (4) to decrease the total amount of Series 2020A Bonds authorized to be issued herein; (5) to establish the price at which the Series 2020A Bonds are sold to the Underwriters within the parameters of Section 4.01(a) above; (6) to establish the interest rates for the Series 2020A Bonds, so long as the rate or rates do not exceed five and one-half percent (5.50%) per annum; (7) to establish the principal amounts of the Series 2020A Bonds maturing in each year; (8) to establish such optional and mandatory redemption provisions as may be necessary to maximize the financing objectives of the Division; (9) to designate a portion of the Series 2020A Bonds as term bonds with mandatory redemption provisions established in the Bond Series Certificate; and (10) to establish the Debt Service Reserve Requirement for the Series 2020A Bonds; provided that the Debt Service Reserve Requirement may be \$-0-. The Mayor and the President or Secretary-Treasurer of the Division are further authorized to cause all or a portion of the Series 2020A Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to enter into agreements with the insurance company with respect to the Series 2020A Bonds to the extent not inconsistent with the Resolution.

(c) The Mayor is hereby authorized to execute and accept, and the President of the Division to acknowledge, a Bond Purchase Agreement with the Underwriters, providing for the purchase and sale of the Series 2020A Bonds. The Mayor and the President or Secretary-Treasurer of the Division have previously been authorized to select the Underwriter or Underwriters with whom the City will negotiate the purchase and sale of the Series 2020A Bonds. The Bond Purchase Agreement shall be in substantially the form attached hereto as Exhibit A, with such changes, insertions and omissions as may be approved by The Mayor and the President or Secretary-Treasurer of the Division upon advice and counsel of the Division's General Counsel and Co-Bond Counsel, which such changes, insertions and omissions are in all respects approved, provided the Bond Purchase Agreement accomplishes the sale of the Series

2020A Bonds in accordance with the provisions of the Resolution, and is not inconsistent with the terms of the Resolution.

(d) The Mayor and the President or Secretary-Treasurer of the Division are authorized to engage and employ such firms and professionals that they deem necessary to consummate the transactions contemplated herein and to negotiate engagements with all of said firms at rates and amounts prevailing in the municipal bond industry for the work to be performed by such firms. The appointment of Regions Bank, Nashville, Tennessee, to serve as the Bond Registrar/Paying Agent under this Eighth Supplemental Resolution is hereby approved. The Mayor, the President and the Secretary-Treasurer of the Division are hereby authorized, empowered and directed to execute and deliver agreements with the Bond Registrar/Paying Agent in the name and on behalf of the City and the Division, including the Paying Agent Agreement, and shall be authorized to modify the terms and conditions of the Paying Agent Agreement as they shall determine to be necessary or appropriate.

(e) The Mayor and the Comptroller of the City, or either of them, are authorized to cause the Series 2020A Bonds to be authenticated and delivered by the Bond Registrar/Paying Agent to the Underwriter and to execute, publish, and deliver all certificates and documents, including a preliminary official statement, an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Series 2020A Bonds.

#### **SECTION 4.02 Establishment of Accounts.**

(a) A Series 2020A Bonds Senior Lien Revenue Interest Subaccount (the "Interest Subaccount") is hereby established within the Interest Account of the Electric System Sinking Fund which is established pursuant to Section 4.02(b)(1) of the Master Resolution. On or before each Interest Payment Date, the Division shall deposit to the Interest Subaccount an amount which, together with any other monies already on deposit therein and available to make such payment, is not less than the interest coming due on the Series 2020A Bonds and any other Senior Lien Revenue Obligations payable from the Interest Subaccount on such Interest Payment Date.

(b) A Series 2020A Bonds Senior Lien Revenue Principal Subaccount (the "Principal Subaccount") is hereby established within the Principal Account of the Electric System Sinking Fund which is established pursuant to Section 4.02(b)(4) of the Master Resolution. On or before each Principal Payment Date, the Division shall deposit in the Principal Subaccount an amount which, together with any other monies already on deposit therein and available to make such payment, is not less than the principal coming due on the Series 2020A Bonds and any other Senior Lien Revenue Obligations payable from such Principal Subaccount on such Principal Payment Date.

(c) A Series 2020A Bonds Proceeds Account (the "Series 2020A Bonds Proceeds Account") is hereby established within the Electric System Project Fund which is established pursuant to Section 4.02(e) of the Master Resolution. The Division shall pay into the Series 2020A Bond Proceeds Account the amount of the proceeds as designated in Section 4.03(d) of this Eighth Supplemental Resolution. Said proceeds shall be applied in the manner and for the purposes specified in the Resolution to the Costs of Series 2020A Project. Money in the Series

2020A Bonds Proceeds Account not required for immediate disbursement may be invested and reinvested pursuant to the provisions of the Resolution at the direction of the Division and at the Division's risk subject to the limitations in the Resolution and to the requirements of Section 4.01 hereof.

(d) If the Mayor and the President or the Secretary-Treasurer of the Division determine that the Debt Service Reserve Requirement for the Series 2020A Bonds will be greater than \$-0-, a Series 2020A Bonds Debt Service Reserve Subaccount (the "Reserve Subaccount") shall be established within the Debt Service Reserve Account of the Electric System Sinking Fund.

#### **SECTION 4.03 Disposition of Bond Proceeds.**

The proceeds of the sale of the Series 2020A Bonds shall be applied by the City and the Division as follows:

(a) all accrued interest, if any, shall be deposited to the Interest Subaccount to be used to pay interest on the Series 2020A Bonds on the first Interest Payment Date following delivery of the Series 2020A Bonds;

(b) such amounts as may be requested by the Secretary-Treasurer of the Division for the payment of the costs of issuance of the Series 2020A Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premium, if any, administrative and clerical costs, rating agency fees, Bond Registrar/Paying Agent fees, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Series 2020A Bonds, shall be applied for such purposes at the direction of the Division; and

(c) an amount equal to the Debt Service Reserve Requirement for the Series 2020A Bonds, if determined to be greater than \$-0-, shall be deposited in the Reserve Subaccount; and

(d) the remainder of the proceeds of the sale of the Series 2020A Bonds shall be deposited by the Division in the Series 2020A Bonds Proceeds Account and applied to the Costs of the Series 2020A Project or to reimburse the Division for Costs of the Series 2020A Project incurred prior to the issuance of the Series 2020A Bonds, which such reimbursement shall comply with Federal tax law requirements.

#### **SECTION 4.04 Official Statement.**

The Mayor and the President or Secretary-Treasurer of the Division, or either of them, working with the Underwriter, are hereby authorized and directed to provide for the preparation and distribution, electronic or otherwise, of a Preliminary Official Statement describing the Series 2020A Bonds. After the Series 2020A Bonds have been sold, the Mayor and the President or Secretary-Treasurer of the Division, or either of them, shall cause to be made such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Eighth Supplemental Resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12 ("Rule 15c2-12") of the Securities and Exchange Commission (the "SEC"). The Mayor and the President or Secretary-Treasurer of

the Division, or either of them, are hereby authorized to contract with the Underwriter to provide, within seven (7) business days after the day on which the Series 2020A Bonds have been sold to the Underwriter, copies of the Official Statement in sufficient quantity to allow the Underwriter to comply with Rule 15c2-12 and the rules of the SEC and the Municipal Securities Rulemaking Board ("MSRB"). Furthermore, the Mayor and the President or Secretary-Treasurer of the Division, or either of them, are hereby authorized to authorize the Underwriter, to the extent required by rules of the SEC or the MSRB, to file the Official Statement with the MSRB or its designee, including submission to the MSRB's Electronic Municipal Market Access system, within the timeframe required by Rule G-32 of the MSRB.

The Mayor and the President or Secretary-Treasurer of the Division, or either of them, are authorized, on behalf of the City, to deem the Preliminary Official Statement in final form, to be final as of its date within the meaning of Rule 15c2-12, except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12. The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the City except for the "permitted omissions" as such term is defined in Rule 15c2-12.

## **ARTICLE V COVENANTS**

### **SECTION 5.01      Tax Matters.**

(a) Each of the City and the Division covenants that, in order to maintain the exclusion from gross income for Federal income tax purposes of the interest on the Series 2020A Bonds, each of the City and the Division will satisfy, or take such actions as are necessary to cause to be satisfied, each provision of the Code necessary to maintain such exclusion. In furtherance of this covenant, each of the City and the Division agrees to comply with such written instructions as may be provided by Co-Bond Counsel. In furtherance of the covenant contained in the preceding sentence, each of the City and the Division agrees to continually comply with the provisions of the "Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986," as amended from time to time, to be executed by each of the City and the Division in connection with the execution and delivery of the Series 2020A Bonds.

(b) Each of the City and the Division covenants that no part of the proceeds of the Series 2020A Bonds shall be used, directly or indirectly, to acquire any "investment property," as defined in section 148 of the Code, which would cause the Series 2020A Bonds to become "arbitrage bonds" within the meaning of section 148 of the Code or under applicable Treasury regulations promulgated thereunder. In order to assure compliance with the rebate requirement of section 148 of the Code, each of the City and the Division further covenants that it will pay or cause to be paid to the United States Treasury Department the amounts necessary to satisfy the requirements of section 148(f) of the Code, and that it will establish such accounting procedures as are necessary to adequately determine, account for and pay over any such amount or amounts required to be paid to the United States in a manner consistent with the requirements of section 148 of the Code, such covenant to survive the defeasance of the Series 2020A Bonds.

(c) Notwithstanding any other provision of the Resolution to the contrary, upon the City's or the Division's failure to observe, or refusal to comply with the covenants contained in this Section 5.01, neither the holders of the Bonds of any Series (other than the Series 2020A Bonds or the Paying Agent acting on their behalf) nor the Paying Agent acting on their behalf shall be entitled to exercise any right or remedy provided to such holders or the Paying Agent under the Resolution based upon the City's failure to observe, or refusal to comply with, the covenants contained in this Section 5.01.

(d) The Mayor and the President or Secretary-Treasurer of the Division, or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Series 2020A Bonds as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the City.

#### **SECTION 5.02 Continuing Disclosure.**

Each of the City and the Division hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 for the Series 2020A Bonds. The Mayor or the President or Secretary-Treasurer of the Division, or any of them, are authorized to execute at the closing of the sale of the Series 2020A Bonds an agreement for the benefit of and enforceable by the owners of the Series 2020A Bonds specifying the details of the financial information, operating data and material event notices to be provided and its obligations relating thereto. Failure of the City or the Division to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Series 2020A Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the City and the Division to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

#### **SECTION 5.03 Released Revenue Obligations; Accession of Subordinate Lien Obligations to Senior Lien Status.**

For so long as any Series 2020A Bonds are Outstanding, each of the City and the Division hereby agrees that it shall not (a) cause a separable category or portion of revenues, income, receipts and money relating to a definable service, facility or program of the System to be withdrawn from General Revenues and thereafter treated as Released Revenues under Section 5.05 of the Master Resolution or (b) cause the accession of any Subordinate Lien Obligations to the status of complete parity with any Senior Lien Revenue Obligations under Section 5.06 of the Master Resolution.

#### **SECTION 5.04 Combined System.**

For so long as any Series 2020A Bonds are Outstanding, each of the City and the Division hereby agrees that it shall not combine any or all of the Division's utility systems into a single unified operation (the "Combined System") or commingle the revenues of the systems so combined in the Combined System under the last paragraph of Section 6.04 of the Master Resolution.

**ARTICLE VI  
MISCELLANEOUS**

**SECTION 6.01      Resolution a Contract.**

The provisions of the Resolution shall constitute a contract between the City and the registered owners of the Series 2020A Bonds, and after the issuance of the Series 2020A Bonds, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner except as provided in the Resolution.

**SECTION 6.02      Additional Authorizations.**

All acts and doings of the Mayor and Comptroller of the City, and the President and Secretary-Treasurer of the Division and any other officer of the City or the Division which are in conformity with the purposes and intent of this Eighth Supplemental Resolution and in furtherance of the issuance, sale, execution and delivery of the Series 2020A Bonds as set forth herein shall be and the same hereby are in all respects, approved and confirmed.

The Mayor and Comptroller of the City and the President and Secretary-Treasurer of the Division, and other officials, officers and agents of the City and the Division, together with the City's and the Division's financial advisors and Co-Bond Counsel, are hereby authorized, empowered and directed to prepare, execute, file and deliver such further instruments, certificates or other documents with respect to the Series 2020A Bonds, and to take such other and further action, as may be necessary or desirable to consummate the aforesaid issuance of the Series 2020A Bonds and to give full force and effect to the Resolution.

**SECTION 6.03      Severability.**

If any section, paragraph or provision of this Eighth Supplemental Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Eighth Supplemental Resolution.

**SECTION 6.04      Conflicting Resolutions.**

Any and all ordinances or resolutions or parts of ordinances or resolutions, except the Master Resolution, in conflict with this Eighth Supplemental Resolution are to the extent of such conflict hereby repealed, and this Eighth Supplemental Resolution shall take immediate effect and shall be in full force and effect from and after its adoption.

**SECTION 6.05      Amendment of Resolution.**

This Eighth Supplemental Resolution may be amended in the same manner as provided for amendment of the Master Resolution.

**EXHIBIT A**  
**FORM OF BOND PURCHASE AGREEMENT**

**CITY OF MEMPHIS, TENNESSEE  
MEMPHIS LIGHT, GAS AND WATER DIVISION**

**§ \_\_\_\_\_  
ELECTRIC SYSTEM REVENUE BONDS  
SERIES 2020A**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2020

The City of Memphis, Tennessee  
Memphis Light, Gas and Water Division  
220 South Main Street  
Memphis, Tennessee 38103

Ladies and Gentlemen:

Raymond James & Associates, Inc. (the "Representative"), for itself and on behalf of Duncan-Williams Inc., FHN Financial Capital Markets and Siebert Williams Shank & Co., LLC (collectively, the "Underwriters"), does hereby offer to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the City of Memphis, Tennessee (the "City"), and the Memphis Light, Gas and Water Division of the City of Memphis, Tennessee (the "Division"), which upon written acceptance hereof by the City and the Division will be binding upon the City, the Division and the Underwriters concerning the sale by the City and the purchase by the Underwriters of \$ \_\_\_\_\_ aggregate principal amount of the City's Electric System Revenue Bonds, Series 2020A (the "Series 2020A Electric System Bonds"), maturing and bearing interest at the rates set forth in **EXHIBIT A** attached hereto. This offer is made subject to the written acceptance by the City and the Division on or before 5:00 p.m., Central Daylight Time, on the date hereof. If this offer is not accepted, it is subject to withdrawal by the Representative upon written notice delivered to the City and the Division at any time prior to acceptance. The City and the Division understand and acknowledge that the Underwriters, in their capacity as the purchasers and underwriters of the Series 2020A Electric System Bonds under this Purchase Agreement, are acting as principals and not as agents or fiduciaries and the purchase of the Series 2020A Electric System Bonds by the Underwriters pursuant to this Purchase Agreement is as independent contractors and not in any other capacity. Furthermore, the City and the Division agree that each entity is solely responsible for making its own judgments in connection with the purchase and sale of the Series 2020A Electric System Bonds pursuant to this Purchase Agreement irrespective of whether the Underwriters have advised or are currently advising the City or the Division on related or other matters. Capitalized terms used but not defined herein shall have the meanings set forth in the hereinafter defined Electric System Resolution.

**SECTION 1. Purpose of Financing, Security and Authorization.** The proceeds of the Series 2020A Electric System Bonds will be used to finance the Costs of acquiring, expanding and/or improving the System and to pay certain costs of issuance with respect to the Series 2020A

Electric System Bonds. The Series 2020A Electric System Bonds are being issued pursuant to Chapter 34, Title 7, Tennessee Code Annotated, as amended (the "Revenue Bond Law"), the Charter of the City (the "City Charter") and the Electric System Revenue Obligations Master Resolution adopted by the Board of Light, Gas and Water Commissioners (the "Board") of the Division on June 20, 2002, and by the City Council (the "City Council") of the City on July 2, 2002, and as previously amended and supplemented (the "Master Electric System Resolution") and particularly as supplemented in respect of the Series 2020A Electric System Bonds by that certain Eighth Supplemental Resolution (the "Eighth Supplemental Resolution") adopted by the Board of the Division on [\_\_\_\_\_, 2020], and by the City Council on [\_\_\_\_\_, 2020], under which Regions Bank, Nashville, Tennessee, is appointed the bond registrar and paying agent (the "Paying Agent") for the Series 2020A Electric System Bonds. The Master Electric System Resolution, as particularly supplemented by the Eighth Supplemental Resolution, is hereinafter referred to as the "Electric System Resolution". The Series 2020A Electric System Bonds are being issued as General Revenue Obligations under the Electric System Resolution and, as such, are limited obligations of the City payable solely from and secured by a pledge of the Pledged Revenues, which is on a parity and equality of lien with respect to the Pledged Revenues with any additional Senior Lien Obligations hereafter issued thereunder and such lien is senior in lien and right of payment to any Outstanding Subordinate Lien Obligations (as defined in the Official Statement) or any Subordinate Lien Obligations issued under the Master Electric System Resolution in the future.

**SECTION 2. Liquidated Damages.** If the City and the Division accepts this offer and if the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Series 2020A Electric System Bonds upon tender thereof by the City at the Closing as herein provided, or if the City is unable to satisfy the conditions precedent to the issuance of the Series 2020A Electric System Bonds by reason of the failure of the Underwriters to comply with the requirements of this Purchase Agreement as set forth herein, the parties hereby agree that the damages to the City and Division shall be fixed at one percent (1%) of the aggregate principal amount of the Series 2020A Electric System Bonds, and, upon such failure of the Underwriters to accept and pay for the Series 2020A Electric System Bonds, the Underwriters shall be obligated to pay to the City such amount as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters. Upon such payment, the obligations of the City to pay fees and expenses of the Underwriters pursuant to Section 11 herein shall be fully released and discharged and the Underwriters shall be fully released and discharged of all claims, rights and damages for such failure and for any and all such defaults. In no event shall the City be entitled to damages of any nature other than the liquidated damages herein specified.

**SECTION 3. The Representative and the Underwriters.** Any authority, discretion or other power conferred upon the Underwriters under any provision of this Purchase Agreement may be exercised by the Representative. The payment for, acceptance of, delivery and execution of any receipt for the Series 2020A Electric System Bonds and any other instruments upon or in connection with the Closing (hereinafter defined) by the Representative on behalf of the Underwriters shall be valid and sufficient for all purposes and binding upon the Underwriters, provided that such action by the Underwriters shall not impose any obligation or liability upon any Underwriters other than as may arise as expressly set forth in this Purchase Agreement.

**SECTION 4. Representations and Warranties of the City and the Division.** The City and the Division make the following representations and warranties, as of the date hereof, and it shall be a condition of the obligation of the Underwriters to purchase and accept delivery of the Series 2020A Electric System Bonds at the Closing (hereinafter defined) that the City shall make the following representations and warranties as of the Closing Date (hereinafter defined).

(a) The Preliminary Official Statement (hereinafter defined) was, with respect to information regarding the City and the Division, as of its date, other than as modified by the Official Statement (hereinafter defined), and the Official Statement is as of the date of this Purchase Agreement, and at all times subsequent thereto up to and including the Closing Date will be, with respect to information regarding the City and the Division, true and correct in all material respects and did not, does not and will not at any such time contain any untrue or misleading statement of a material fact and did not, does not and will not at any such time omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. Any amendments or supplements to the Official Statement, with respect to information regarding the City or the Division, will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) The City is a municipal corporation duly created and existing under the Constitution and the laws of the State of Tennessee (the "State"), pursuant to Chapters 1-3 of Title 7 of the Tennessee Code Annotated, as amended and supplemented (the "Act"), and duly organized and validly existing under the City Charter, which City Charter has been validly adopted.

(c) The Division was created as a division of the City by an amendment to the City Charter by Chapter 381 of the Private Acts of the General Assembly of Tennessee adopted March 9, 1939, as amended (the "Private Act"). The Division has and, at the time of the Closing, will have full legal right, power and authority under the City Charter and the Private Act to operate the System.

(d) The City has and, at the time of the Closing, will have full legal right, power and authority under the laws of the State, the City Charter, the Revenue Bond Law and the Electric System Resolution to: (i) adopt the Electric System Resolution; (ii) enter into this Purchase Agreement, the Continuing Disclosure Certificate of the City relating to the Series 2020A Electric System Bonds in substantially the form attached to the Official Statement (the "Disclosure Certificate") and all other agreements entered into or to be entered into by the City, as contemplated in the Electric System Resolution; (iii) secure the Series 2020A Electric System Bonds in the manner contemplated in the Electric System Resolution; and (iv) carry out and consummate all the transactions contemplated for the City by this Purchase Agreement, the Electric System Resolution, the Disclosure Certificate and the Official Statement. The City has complied and, at the Closing, will be in compliance in all material respects with the terms of the City Charter, the Revenue Bond Law and the Electric System Resolution, as they pertain to such transactions.

(e) The Division has and, at the time of the Closing, will have full legal right, power and authority under the laws of the State, the City Charter, the Private Act, the Revenue Bond Law and the Electric System Resolution to: (i) adopt the Electric System Resolution; (ii) enter into this

Purchase Agreement, the Disclosure Certificate, the Paying Agent Agreement and all other agreements entered into or to be entered into by the Division, as contemplated in the Electric System Resolution; and (iii) carry out and consummate all the transactions contemplated for the Division by this Purchase Agreement, the Disclosure Certificate, the Paying Agent Agreement, the Electric System Resolution and the Official Statement. The Division has complied and, at the Closing, will be in compliance in all material respects with the terms of the City Charter, the Private Act and the Electric System Resolution, as they pertain to such transactions.

(f) By all necessary official action of the City and the Division, respectively, prior to or concurrently with the acceptance hereof, the City and the Division have duly: (i) adopted the Electric System Resolution; (ii) authorized the execution, delivery and performance of this Purchase Agreement, the Series 2020A Electric System Bonds, the Disclosure Certificate, the Paying Agent Agreement and the Electric System Resolution, as applicable; (iii) authorized or ratified the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement and any and all amendments and supplements thereto; and (iv) authorized the taking of any and all such actions as may be required on the part of the City and the Division to carry out, give effect to and consummate the transactions contemplated by the aforesaid instruments.

(g) The Electric System Resolution, the Disclosure Certificate, the Paying Agent Agreement and this Purchase Agreement constitute, when delivered, assuming due authorization, execution and delivery by the other parties thereto, the legal, valid and binding obligations of the City and the Division, as applicable, and the same are enforceable in accordance with their terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws and principles of equity affecting creditors' rights generally or as to the availability of any particular remedy. As such, the Electric System Resolution will constitute, for the benefit of the holders from time to time of the Series 2020A Electric System Bonds, the legally valid and binding pledge of and lien on the Pledged Revenues, subject to the provisions thereof.

(h) When delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Purchase Agreement, the Series 2020A Electric System Bonds will be duly authorized, executed, issued and delivered and will constitute legal, valid and binding limited obligations of the City enforceable in accordance with their terms and the terms of the Electric System Resolution, subject to bankruptcy, insolvency, moratorium, reorganization or other laws and principles of equity affecting creditors' rights generally. The Series 2020A Electric System Bonds are special limited obligations of the City secured solely by an assignment and pledge of the Pledged Revenues.

(i) At the Closing, all approvals, consents and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Series 2020A Electric System Bonds or the execution and delivery of or the performance by the City or the Division of their respective obligations under this Purchase Agreement, the Series 2020A Electric System Bonds or the Electric System Resolution will have been obtained or made and any consents, approvals and orders so received or filings so made will be in full force and

effect. Notwithstanding anything to the contrary, no representation is made concerning compliance with the applicable securities or Blue-Sky laws of the various states.

(j) The adoption by the City and the Division, respectively, of the Electric System Resolution, the authorization, execution, delivery and performance of this Purchase Agreement, the Series 2020A Electric System Bonds, the Disclosure Certificate and any other agreement or instrument to which the City or the Division, respectively, is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby or by the Electric System Resolution or the Official Statement and compliance with the provisions of each such agreement or instrument, do not and will not conflict with, or constitute or result in a violation or breach of or a default under, the Constitution of the State or any existing law, administrative regulation, rule, decree or order, state or federal, or material provision of any agreement, indenture, mortgage, lease, note or other instrument to which the City or any assets or properties of the System is subject and do not and will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the taxes, revenues, property or assets of the City under the terms of the Constitution of the State or any law, instrument or agreement.

(k) The City is not in breach of or default in any material respect under the Act, the Revenue Bond Law, the Private Act, the City Charter or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City is, or any of the properties or assets of the Electric System are, otherwise subject, which such breach or default could in any way, materially adversely affect the ability of the City to issue the Series 2020A Electric System Bonds, secure the payment of the Series 2020A Electric System Bonds or enter into any of the agreements or instruments, or consummate any of the transactions, contemplated in this Purchase Agreement, the Electric System Resolution or the Official Statement. No event has occurred and is continuing which constitutes or, with the passage of time or the giving of notice or both, would constitute a default or an event of default by the City under any agreement or instrument to which the City is a party, which such default or event of default could, in any way, materially adversely affect the issuance of or security for the Series 2020A Electric System Bonds.

(l) The Power Contract (as such term is defined in the Official Statement) is in full force and effect, without amendment, modification or supplement in any material respect, except to the extent agreed upon by the Representative.

(m) The Division is not in breach of or default in any material respect under the Act, the Private Act, the City Charter, the Revenue Bond Law or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Division is a party or to which the Division is, or any of the properties or assets of the System are, otherwise subject, which such breach or default could in any way, materially adversely affect the ability of the City to issue the Series 2020A Electric System Bonds, secure the payment of the Series 2020A Electric System Bonds, or enter into any of the agreements or instruments, or consummate any of the transactions, contemplated in this Purchase Agreement,

the Electric System Resolution or the Official Statement. No event has occurred and is continuing which constitutes or, with the passage of time or the giving of notice or both, would constitute a default or an event of default by the Division under the Power Contract or any agreement or instrument to which the Division is a party, which such default or event of default could, in any way, materially adversely affect the issuance of or security for the Series 2020A Electric System Bonds.

(n) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, other than as may be described in the Official Statement, pending or, to the best knowledge of the City, threatened, against or affecting the City or any of the officers of the City in their respective capacities as such (or, to the best knowledge of the City, any basis therefor) wherein an unfavorable decision, ruling or finding would in any way materially adversely affect (i) the issuance, sale or delivery of the Series 2020A Electric System Bonds or any of the other transactions contemplated by this Purchase Agreement, the Electric System Resolution or the Official Statement, (ii) the validity or enforceability of the Series 2020A Electric System Bonds, the Electric System Resolution, this Purchase Agreement, the Disclosure Certificate, the Paying Agent Agreement or any other agreement or instrument to which the City is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby, (iii) the collection of the Pledged Revenues or the pledge of or lien on the Pledged Revenues for the payment and security payment of the Series 2020A Electric System Bonds or otherwise pursuant to the Electric System Resolution, or (iv) the excludability of the interest on the Series 2020A Electric System Bonds from federal income taxation under the Internal Revenue Code of 1986, as amended (the "Code").

(o) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, other than as may be described in the Official Statement, pending or, to the best knowledge of the Division, threatened, against or affecting the Division or any of the officers of the Division in their respective capacities as such (or, to the best knowledge of the Division, any basis therefor) wherein an unfavorable decision, ruling or finding would in any way materially adversely affect (i) the issuance, sale or delivery of the Series 2020A Electric System Bonds or any of the other transactions contemplated by this Purchase Agreement, the Electric System Resolution or the Official Statement, (ii) the validity or enforceability of the Series 2020A Electric System Bonds, the Electric System Resolution, this Purchase Agreement, the Disclosure Certificate, the Paying Agent Agreement or any other agreement or instrument to which the Division is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby, (iii) the collection of the Pledged Revenues or the pledge of or lien on the Pledged Revenues for the payment and security payment of the Series 2020A Electric System Bonds or otherwise pursuant to the Electric System Resolution, or (iv) the excludability from federal income taxation of the interest on the Series 2020A Electric System Bonds under the Code.

(p) Neither the City nor the Division will take or omit to take any action, which action or omission would adversely affect the excludability from federal income taxation of the interest on the Series 2020A Electric System Bonds under the Code.

(q) Neither the City nor the Division has entered, nor will they enter, into any contract or arrangement of any kind which might give rise to any lien or encumbrance on any of the Pledged Revenues or any other assets, properties, funds or interests of the City or the Division pledged or made available under the Electric System Resolution for payment of the principal of, premium, if any, or interest on the Series 2020A Electric System Bonds that is superior to or on a parity with the lien of the Series 2020A Electric System Bonds, except in accordance with the provisions of the Electric System Resolution. Nothing herein shall be deemed to apply to the City's general obligation bonds and notes heretofore issued and which may hereafter continue to be issued.

(r) All actions or authorizations incident to or necessary to permit the City and the Division to receive, assign, pledge and use the Pledged Revenues in accordance with, and as provided in, the Electric System Resolution have been taken or authorized to be taken, as the case may be.

(s) Any certificate signed by any official of the City or the Division and delivered to the Representative or the Underwriters in connection with the issuance or sale of the Series 2020A Electric System Bonds shall be deemed to be a representation and warranty by the City or the Division, as the case may be, to the Underwriters as to the statements made therein.

(t) As disclosed in the Preliminary Official Statement and the Official Statement, the City previously committed to continuing disclosure undertakings with respect to bonds issued by the City and other issuers. During the last five years, due to administrative oversight and the unavailability, on a timely basis, of certain audited financial information, the City failed to timely file its annual continuing disclosure filings in several instances with respect to such bonds.

(u) Other than the Outstanding Electric System Revenue Bonds, Series 2014, the Electric System Revenue Bonds, Series 2016 and the Electric System Revenue Bonds, Series 2017, there are currently no Outstanding Series Revenue Obligations payable from the General Revenues of the Electric System.

The representations and warranties set forth in this Purchase Agreement shall survive the Closing and shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriters and (ii) payment for the Series 2020A Electric System Bonds.

#### **SECTION 5. Official Statement; Offering by the Underwriters.**

(a) The City hereby authorizes the distribution by the Underwriters of the Official Statement in connection with the public offering and sale of the Series 2020A Electric System Bonds. The Preliminary Official Statement will be "deemed final" by the City and the Division for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC") promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12. The City shall provide, or cause to be provided, to the Representative a final official statement relating to the Series 2020A Electric System Bonds dated the date hereof (including the cover page and all appendices, exhibits and reports attached thereto, the "Official Statement") and shall cause copies of the Official Statement,

in a quantity specified by the Representative as sufficient to enable the Underwriters to comply with applicable rules of the SEC (including Rule 15c2-12) and the Municipal Securities Rulemaking Board (the "MSRB"), to be available to the Underwriters within seven (7) business days of the execution of this Purchase Agreement (but in no event later than two (2) business days before the Closing Date) and in sufficient time to accompany any confirmation that requests payment from any customer of any of the Underwriters. To the extent required by rules of the SEC or the MSRB, the City hereby authorizes the Representative to file, and the Representative hereby agrees to file, the Official Statement with the MSRB or its designee, including submission to the MSRB's Electronic Municipal Market Access system (together with any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and information, "EMMA"), within the timeframe required by Rule G-32 of the MSRB. Such Official Statement shall be delivered in the currently required designated format stated in MSRB Rule G-32 and the EMMA Dataport Manual (as hereinafter defined). "EMMA Dataport Manual" means the document(s) designated as such and published by the MSRB from time to time that sets forth the processes and procedures with respect to submissions to be made to the primary market disclosure service of EMMA by underwriters under MSRB Rule G-32. Failure of the printer to provide copies of the Official Statement within seven (7) business days after the execution of this Purchase Agreement by the City and the Division will not constitute a breach of this Purchase Agreement by the City or the Division if such failure is proximately caused by the Underwriters or an agent or representative of the Underwriters.

(b) The City authorizes, consents to and ratifies the use by the Underwriters of the Preliminary Official Statement dated [ \_\_\_\_\_, 2020], relating to the Series 2020A Electric System Bonds (such Preliminary Official Statement, including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto and any amendments and supplements thereto that may be authorized by the City for use with respect to the Series 2020A Electric System Bonds, being herein called the "Preliminary Official Statement") for the purposes of marketing the Series 2020A Electric System Bonds in connection with the original public offer, sale and distribution of the Series 2020A Electric System Bonds by the Underwriters.

(c) The Underwriters agree to make a bona fide initial public offering of all of the Series 2020A Electric System Bonds in conformance with all applicable rules of the MSRB at the initial offering prices or yields set forth in the Official Statement, but reserve the right to change such prices or yields as they may deem necessary or desirable in connection with the offering and sale of the Series 2020A Electric System Bonds and to sell the Series 2020A Electric System Bonds to dealers (including dealer banks and dealers depositing Series 2020A Electric System Bonds into investment trusts) and others at prices lower than the public offering prices as described herein. The Underwriters also reserve the right to: (i) over-allot or effect transactions which stabilize or maintain the market price of the Series 2020A Electric System Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

(d) The City and the Division shall take all actions as the City or the Division shall determine reasonable to: (i) provide all information reasonably requested by the Representative necessary or desirable to register the Series 2020A Electric System Bonds under, or comply with, any state Blue-Sky laws, provided that in connection therewith neither the City nor the Division

shall be required to file a general or special consent to service of process in any jurisdiction, spend any money, qualify to do business in any jurisdiction or register as a dealer or broker in any jurisdiction; and (ii) ensure that the Preliminary Official Statement and the Official Statement at all times during the initial offering and distribution of the Series 2020A Electric System Bonds do not contain any untrue statement of a material fact and do not omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) From the date hereof until the date which is twenty-five (25) days following the "end of the underwriting period", if any event shall occur that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City and the Division (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative and (ii) shall notify the Representative promptly if any event shall occur, or information comes to the attention of the City or the Division, that it is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City shall prepare and furnish to the Representative, at the City's expense such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the City and the Representative, as the Representative may reasonably request. If such notification shall be given subsequent to the Closing Date, the City also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents the Representative may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement. Any such amendments or supplements that may be authorized under the foregoing provision for use with respect to the Series 2020A Electric System Bonds are hereinafter included within the term "Official Statement."

Unless the Representative otherwise notifies the City in writing, the Underwriters agree that "end of the underwriting period" is used as defined in Rule 15c2-12 and shall occur on the later of (i) the Closing Date or (ii) when the Underwriters no longer retain an unsold balance of the Series 2020A Electric System Bonds; unless otherwise advised in writing by the Representative on or prior to the Closing Date, or otherwise agreed to by the City and the Representative, the City may assume that the end of the underwriting period is the Closing Date. The Representative shall, at its own expense, submit the Official Statement to EMMA within the timeframe required by Rule G-32 of the MSRB. The Representative will comply with the provisions of MSRB Rule G-32 as in effect on the date hereof, including without limitation with respect to the submission of Form G-32 and the Official Statement, and will notify the City of the date on which the Official Statement has been filed with EMMA.

(f) If the Official Statement is supplemented or amended pursuant to subsection (e) of this Section 5, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to

and including the date of Closing, the City and the Division will take all steps necessary to ensure that the Official Statement, as supplemented or amended, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(g) The Preliminary Official Statement and the Official Statement may be delivered in printed or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed upon by the City or the Division and the Underwriters. If the Preliminary Official Statement or the Official Statement is prepared for distribution in electronic form, the City and the Division hereby confirm that it does not object to distribution of the Preliminary Official Statement or the Official Statement in electronic form.

#### **SECTION 6. Establishment of Issue Price.**

(a) The Representative, on behalf of the Underwriters, agrees to assist the City and the Division in establishing the issue price of the Series 2020A Electric System Bonds and shall execute and deliver to the City at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **EXHIBIT F**, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the City and Co-Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2020A Electric System Bonds.

(b) [Except as otherwise set forth in **Schedule 1** attached hereto, if any,] the City and the Division will treat the first price at which 10% of each maturity of the Series 2020A Electric System Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Representative shall report to the City and the Division the price or prices at which the Underwriters have sold to the public each maturity of the Series 2020A Electric System Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Series 2020A Electric System Bonds, the Representative agrees to promptly report to the City and the Division the prices at which Series 2020A Electric System Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Series 2020A Electric System Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Series 2020A Electric System Bonds of that maturity, provided that, the Underwriters’ reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the City, the Division or bond counsel.] For purposes of this Section, if Series 2020A Electric System Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2020A Electric System Bonds .

(c) The Representative confirms that the Underwriters have offered the Series 2020A Electric System Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in **Schedule 1** attached hereto, if any, except as otherwise set forth therein. **Schedule 1**, if any, also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Series

2020A Electric System Bonds for which the 10% test has not been satisfied and for which the City and the Division and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the City and the Division to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2020A Electric System Bonds, the Underwriters will neither offer nor sell unsold Series 2020A Electric System Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) The close of the fifth (5<sup>th</sup>) business day after that sale date; or
- (2) The date on which the Underwriters have sold at least 10% of that maturity of the Series 2020A Electric System Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the City and the Division promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the Series 2020A Electric System Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(i) Any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2020A Electric System Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Series 2020A Electric System Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2020A Electric System Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Series 2020A Electric System Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative and (B) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires,

(B) to promptly notify the Representative of any sales of Series 2020A Electric System Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Securities to the public (each such term being used as defined below); and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) Any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2020A Electric System Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2020A Electric System Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2020A Electric System Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2020A Electric System Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Series 2020A Electric System Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

The City and the Division acknowledge that, in making the representations set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Series 2020A Electric System Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020A Electric System Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2020A Electric System Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2020A Electric System Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020A Electric System Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that any Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2020A Electric System Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2020A Electric System Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020A Electric System Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City and the Division further acknowledge that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Series 2020A Electric System Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020A Electric System Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the hold-the-offering-price rule, if applicable, to the Series 2020A Electric System Bonds.

(e) The Underwriters acknowledge that sales of any Series 2020A Electric System Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2020A Electric System Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City and the Division (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020A Electric System Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2020A Electric System Bonds to the public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2020A Electric System Bonds to the public),

(iii) A purchaser of any of the Series 2020A Electric System Bonds is a "related party" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership by their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Agreement by all parties.

**SECTION 7. Issuance, Sale and Purchase of Series the 2020A Electric System Bonds.**

On the basis of the representations and warranties contained herein and the other agreements referred to herein and subject to the terms and conditions set forth herein, the City agrees to issue and sell to the Underwriters and the Underwriters agree to purchase from the City all (but not less than all) of the Series 2020A Electric System Bonds at an aggregate price of [ \$ \_\_\_\_\_ ], which represents the par amount of the Series 2020A Electric System Bonds of [ \$ \_\_\_\_\_ ], plus a bond premium in the amount of [ \$ \_\_\_\_\_ ], less an underwriting discount of [ \$ \_\_\_\_\_ ].

Having approved the terms of such issuance and sale, the City hereby agrees to sell the Series 2020A Electric System Bonds to the Underwriters, subject to the terms of this Purchase Agreement. The delivery and sale of the Series 2020A Electric System Bonds (the "Closing") will be at such place in Memphis, Tennessee, as the City or the Division may designate, by 1:00 p.m., Central Daylight Time, on [ September \_\_\_\_, 2020 ], or at such other time or such other place or on such other date as the City and the Representative may agree (the "Closing Date"). On the Closing Date, (i) the City will deliver the Series 2020A Electric System Bonds to the Underwriters, in

definitive form and duly executed through the FAST system of registration with The Depository Trust Company, New York, New York ("DTC"), at such place in Memphis, Tennessee, as the Representative may designate or at such other place as the City and the Representative may agree upon, (ii) the City will deliver to the Representative in Memphis, Tennessee, the closing documents referenced in Section 8 hereof, and (iii) the Underwriters will accept such delivery and pay the aggregate purchase price as set forth in this Section 7 by wire transfer to the Division, on behalf of the City, of immediately available federal funds, subject to the provisions of Section 8 hereof.

A single typewritten bond for each maturity of each series of the Series 2020A Electric System Bonds shall be delivered by the City, duly executed and authenticated, with CUSIP identification numbers thereon, registered in the name of Cede & Co., as nominee of DTC.

**SECTION 8. Conditions.** The Underwriters' obligations hereunder are subject to:

(a) The accuracy on the Closing Date, as if made as of such date, of all representations and warranties of the City and the Division contained in this Purchase Agreement, the Electric System Resolutions, the Preliminary Official Statement and the Official Statement;

(b) The due performance by the City and the Division of their obligations hereunder and under the Electric System Resolution;

(c) [At the time of the Closing, the Electric System Resolution and the Power Contract being in full force and effect, without amendment, modification or supplement except to the extent agreed upon by the Representative];

(d) All official action of the City relating to this Purchase Agreement, the Series 2020A Electric System Bonds, the Disclosure Certificate and the Electric System Resolution being, at the time of the Closing, in full force and effect, without amendment, modification or supplement except to the extent agreed upon by the Representative;

(e) The delivery of the Bond Series Certificate with respect to the Series 2020A Electric System Bonds required under the Eighth Supplemental Resolution setting forth terms of the Series 2020A Electric System Bonds which are not inconsistent with this Purchase Agreement;

(f) There being no material change in the condition (financial or otherwise) of the City or the Division between the most recent dates for which information is given in the Official Statement and the Closing Date, other than as reflected in or contemplated by the Official Statement, and there being on the Closing Date no material transactions or obligations (not in the ordinary course of business) entered into by the City or the Division subsequent to the date of the Official Statement other than as reflected in or contemplated by the Official Statement; and

(g) Delivery of all documentation required by Section 9 hereof.

**SECTION 9. Closing Documentation.** There shall be delivered to the Underwriters at Closing the following, in form and substance reasonably satisfactory to: the Representative; Butler

Snow, LLP, Memphis, Tennessee, and The Wade Law Firm, PLLC, Memphis, Tennessee, as co-bond counsel (together, "Co-Bond Counsel"); and Carpenter Law, PLLC, Memphis, Tennessee ("Underwriters' Counsel"):

(a) The Official Statement executed on behalf of the City by the duly authorized officials or representatives thereof;

(b) A certificate of the Division regarding this Purchase Agreement;

(c) A certificate of the City regarding this Purchase Agreement;

(d) A certificate from the City and the Division with respect to arbitrage and other tax matters in a form acceptable to Co-Bond Counsel;

(e) Certified copies of the Master Electric Resolution and the Eighth Supplemental Resolution;

(f) A specimen Series 2020A Electric System Bond;

(g) The unqualified approving opinion of Co-Bond Counsel, in substantially the form thereof set forth in the Official Statement, either addressed to the Underwriters or accompanied by a letter from Co-Bond Counsel to the Underwriters stating that the Underwriters may rely upon such opinion;

(h) The supplemental opinion of Co-Bond Counsel, addressed to the Representative, in substantially the form attached as **EXHIBIT B** hereto;

(i) The opinion of the Chief Legal Counsel/City Attorney, addressed to the Underwriters, in substantially the form attached as **EXHIBIT C** hereto;

(j) The opinion of General Counsel to the Division, addressed to the Underwriters, in substantially the form attached as **EXHIBIT D** hereto;

(k) The opinion of Underwriters' Counsel in substantially the form attached as **EXHIBIT E** hereto;

(l) Verification that the Division's Blanket Letter of Representation to the Depository Trust Company is in effect with respect to the Series 2020A Electric System Bonds;

(m) Written evidence that Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") have assigned ratings of at least ["\_\_\_"] and ["\_\_\_"], respectively, to the Series 2020A Electric System Bonds;

(n) A fully executed copy of the Disclosure Certificate; and

(o) Such additional legal opinions, certificates, proceedings, instruments and other documents the Underwriters, Underwriters' Counsel or Co-Bond Counsel may reasonably request to evidence compliance by the City and the Division with applicable legal requirements.

**SECTION 10. Termination.** The Representative may terminate this Purchase Agreement at any time prior to the Closing Date by notice to the other parties hereto if, between the date hereof and the Closing Date:

(a) Legislation shall be enacted by the Congress of the United States, or a bill introduced (by amendment or otherwise) or favorably reported or passed by either the House of Representatives or the Senate of the Congress of the United States or any committee of the House or Senate, or a conference committee of such House and Senate makes a report (or takes any other action), or a decision by a court of the United States or the Tax Court of the United States shall be rendered, or a ruling, regulation or fiscal action shall be issued or proposed by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency with respect to or having the purpose or effect of changing directly or indirectly the federal income tax consequences of interest on the Series 2020A Electric System Bonds in the hands of the holders thereof (including imposition of a not previously existing minimum federal tax which includes tax-exempt interest in the calculation of such tax), which, in the reasonable opinion of the Underwriters, has, or will, materially adversely affect the market price or the marketability of the Series 2020A Electric System Bonds.

(b) Any legislation, rule or regulation shall be introduced in, or be enacted by any department or agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the reasonable opinion of the Underwriters, materially adversely affects the market for the Series 2020A Electric System Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2020A Electric System Bonds to be purchased by the Underwriters.

(c) Any event shall have occurred or condition shall exist that, in the reasonable opinion of the Underwriter, makes untrue or incorrect in any material respect as of the Closing Date any material statement of information contained in the Official Statement or that is not reflected in the Official Statement but should be reflected therein as of such time in connection with the offering and sale of the Series 2020A Electric System Bonds in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading in any material respect as of such time including, without limitation, events or conditions relating to the business and affairs of the City; or

(d) There shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, financial or otherwise, affecting the effective operation of the government of, or the financial community in, the United States, including a general suspension of trading on any national securities exchange, which materially adversely affects the market for the Series 2020A Electric System Bonds or the sale of the Series 2020A Electric System Bonds, at the contemplated offering prices, by the Underwriters, in the reasonable opinion of the Underwriters.

(e) The marketability of the Series 2020A Electric System Bonds, the market price thereof or the sale of the Series 2020A Electric System Bonds at the contemplated offering prices, in the reasonable opinion of the Underwriters, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets, making it impracticable for the Underwriters to market the Series 2020A Electric System Bonds or to enforce contracts for the sale of the Series 2020A Electric System Bonds (it being agreed by the parties hereto that no such event, occurrence or condition exists as of the date hereof).

(f) A general banking moratorium shall have been declared by the United States, New York or State authorities which in the reasonable opinion of the Underwriters, materially adversely affects the market for the Series 2020A Electric System Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2020A Electric System Bonds to be purchased by the Underwriters.

(g) Any national securities exchange, or any governmental authority, shall impose, as to the Series 2020A Electric System Bonds or obligations of the general character of the Series 2020A Electric System Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters.

(h) There shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to the Series 2020A Electric System Bonds or to any of the Electric Division's obligations, which, in the reasonable opinion of the Underwriters, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2020A Electric System Bonds to be purchased by the Underwriters; or any proceeding shall be pending or threatened by the Securities and Exchange Commission against the City.

(i) Any stop order or legislation shall have been enacted or a bill shall have been reported out of a legislative committee, any decision by a court of the United States shall have been rendered or any stop order, ruling, regulation or official statement by or on behalf of the SEC or other governmental agency shall have been made to the effect that (i) obligations of the general character of the Series 2020A Electric System Bonds or the Series 2020A Electric System Bond Resolution, in the reasonable opinion of counsel to the Underwriters, are not exempt from registration, qualification or other requirements of the Securities Act of 1933, as amended (the "Securities Act"), or the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or (ii) the issuance, offering or sale of the Series 2020A Electric System Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Series 2020A Electric System Bonds, is or would be in violation of any provision of the federal securities laws on the Closing Date, including the Securities Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the Trust Indenture Act; or

(j) Any litigation (not already disclosed) shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2020A Electric System Bonds or in any way contesting or questioning any authority for or the validity of the Series 2020A Electric

System Bonds or the money or revenues pledged to the payment thereof or the Series 2020A Electric System Bonds Resolution or any of the proceedings of the City or the Division taken with respect to the issuance and sale thereof.

**SECTION 11. Expenses.**

(a) The City shall pay, or cause to be paid, all expenses and costs of the City and the Division incident to the performance of their obligations in connection with the authorization, issuance and sale of the Series 2020A Electric System Bonds to the Underwriters, including but not limited to the costs of pre-sale advertising of the Series 2020A Electric System Bonds; printing or reproducing the Preliminary Official Statement, the Official Statement, the Electric System Resolution and all ancillary papers; fees and expenses of consultants, including the fees and expenses of Co-Bond Counsel, Stephens Inc. and ComCap Partners, co-municipal advisors to the Division, the independent accountants of the Division, rating agencies, the Paying Agent, the Underwriters, Underwriters' Counsel and any other engineers, accountants, experts, consultants or advisors retained by the City or the Division.

(b) The Underwriters shall pay all advertising expenses in connection with the public offering of the Series 2020A Electric System Bonds.

(c) If this Purchase Agreement shall be terminated by the Underwriters because of any failure or refusal on the part of the City or the Division to comply with the terms or to fulfill any of the conditions hereof or if, for any reason, the City or the Division shall be unable to perform its obligations under this Purchase Agreement, the City or the Division shall reimburse the Underwriters for all out-of-pocket expenses reasonably incurred by the Underwriters in connection with this Purchase Agreement or the offering contemplated hereunder.

**SECTION 12. Finders.** The City, the Division and the Underwriters each represents and warrants that no finder or other agent has been employed or consulted by it in connection with this transaction.

**SECTION 13. No Fiduciary Duty Provisions.** The City and the Division acknowledge and agree that: (i) the purchase and sale of the Series 2020A Electric System Bonds pursuant to this Purchase Agreement is an arm's length commercial transaction among the City, the Division and the Underwriters; (ii) in connection with such transaction, including the process leading thereto, each of the Underwriters is acting solely as a principal and not as an agent or a fiduciary of the City or the Division; (iii) the Underwriters have neither assumed an advisory or fiduciary responsibility in favor of the City or the Division with respect to the offering of the Series 2020A Electric System Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of the Underwriters, have advised or is currently advising the City or the Division on other matters) nor has it assumed any other obligation to the City or the Division except the obligations expressly set forth in this Purchase Agreement; (iv) the Underwriters have financial and other interests that differ from those of the City or the Division; and (v) the City or the Division have consulted with its own legal and financial advisors to the extent they deemed appropriate in connection with the offering of the Series 2020A Electric System Bonds.

**SECTION 14. Notices.** Any notice or other communication under this Purchase Agreement may be given by delivering the same in writing to the City, at the address of the City set forth above to, the attention of Shirley Ford, Chief Financial Officer, 125 North Main Street, Room 368, Memphis, Tennessee 38103; to the Division at the address of the Division set forth above, to the attention of Dana Jeanes, Senior Vice-President, Chief Financial Officer, Chief Administrative Officer and Secretary-Treasurer; and to the Underwriters as follows: Raymond James & Associates, Inc., 50 North Front Street, 16<sup>th</sup> Floor, Memphis, Tennessee 38103 (Attention: Mr. Chad Myers, Senior Vice-President).

**SECTION 15. Governing Law.** This Purchase Agreement shall be governed by the applicable laws of the State of Tennessee.

**SECTION 16. Counterparts.** This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

**SECTION 17. Effective Date and Time.** This Purchase Agreement shall become effective upon the date and time of acceptance hereof by the City and the Division.

**SECTION 18. Severability.** If any provision of this Purchase Agreement shall be held or deemed to be, or shall in fact be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Purchase Agreement invalid, inoperative or unenforceable to any extent whatsoever.

**SECTION 19. Miscellaneous.** This Purchase Agreement is made solely for the benefit of, and is binding on each of, the parties and their respective successors and assigns. No party to this Purchase Agreement may assign its interest herein. This Purchase Agreement is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by all of the parties hereto.

*[Signatures on Following Page]*

*[Signature Page to the Bond Purchase Agreement]*

**(Memphis Light, Gas and Water Division  
Electric System Revenue Bonds, Series 2020A)**

**RAYMOND JAMES & ASSOCIATES, INC., as  
Representative of the Underwriters**

By: \_\_\_\_\_  
**Chad Myers  
Senior Vice-President**

Accepted:

**CITY OF MEMPHIS, TENNESSEE**

By: \_\_\_\_\_  
**Jim Strickland  
Mayor**

Acknowledged:

**MEMPHIS LIGHT, GAS AND WATER DIVISION,  
on behalf of the City of Memphis, Tennessee**

By: \_\_\_\_\_  
**Jarl T. Young  
President and Chief Executive Officer**

**EXHIBIT A**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,  
PRICES, YIELDS**

**\$ \_\_\_\_\_  
ELECTRIC SYSTEM REVENUE BONDS  
SERIES 2020A**

<b><u>Maturity</u></b> <b><u>(December 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Price</u></b>	<b><u>Yield</u></b>
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**EXHIBIT B**

[FORM OF SUPPLEMENTAL OPINION OF CO-BOND COUNSEL]

**EXHIBIT C**

[FORM OF OPINION OF CHIEF LEGAL COUNSEL TO THE CITY]

**EXHIBIT D**

[FORM OF OPINION OF GENERAL COUNSEL TO THE DIVISION]

**EXHIBIT E**

[FORM OF OPINION OF UNDERWRITERS' COUNSEL]

## EXHIBIT F

### [FORM OF ISSUE PRICE CERTIFICATE]

The undersigned, on behalf of Raymond James & Associates, Inc. (“the “Representative”), for itself and on behalf of Duncan-Williams Inc., FHN Financial Capital Markets and Siebert Williams Shank & Co., LLC (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

**Sale of the General Rule Maturities.** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least ten percent (10%) of such Maturity was sold to the Public is the respective price listed in **Schedule A**.

**Initial Offering Price of the Hold-the-Offering-Price Maturities.**

The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in **Schedule A** (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as **Schedule B**.

As set forth in the Bond Purchase Agreement, the Representative and the Underwriting Group have agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

**Defined Terms.**

“*General Rule Maturities*” means those Maturities of the Bonds listed in **Schedule A** hereto as the “General Rule Maturities.”

“*Hold-the-Offering-Price Maturities*” means those Maturities of the Bonds listed in **Schedule A** hereto as the “Hold-the-Offering-Price Maturities.”

“*Holding Period*” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth (5<sup>th</sup>) Business Day after the Sale Date, or (ii) the date on which the Representative and the Underwriting Group have sold at least ten percent (10%) of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

“*Issuer*” means City of Memphis, Tennessee, a legal entity that develops, registers and sells securities to finance its operations and are legally responsible for the obligations of the issue and for reporting financial conditions, material developments and any other operational activities as required by the regulations of Tennessee.

“*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

“*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent (50%) common ownership, directly or indirectly.

“*Sale Date*” means the first (1<sup>st</sup>) day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is September \_\_, 2020.

“*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

*Yield*

The yield on the Bonds has been calculated to be not less than \_\_\_\_\_ %.

*Weighted Average Maturity*

The weighted average maturity of the Bonds has been calculated to be \_\_\_\_\_ years.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City of Memphis, Tennessee and the Division with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by The Wade Law Firm, PLLC, and Butler Snow LLP, Co-Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the Issuer and the Borrower from time to time relating to the Bonds.

[Signature on Following Page]

*[Signature Page for Issue Price Certificate]*

**RAYMOND JAMES & ASSOCIATES, INC., as  
Representative of the Underwriters**

By: \_\_\_\_\_  
**Chad Myers  
Senior Vice-President**

Dated: September \_\_, 2020



## City Council Item Routing Sheet

**Division:** City Council    **Committee:** MLGW    **Hearing Date:** July 21, 2020

- Ordinance                       Resolution                       Grant Acceptance  
 Budget Amendment               Commendation               Other: [Click here to enter text.](#)

<p><b>Item Description:</b> Resolution approving the issuance of, and recommending to and requesting that the City Council issue and sell, through negotiated sale, not to exceed \$53,000,000 principal amount of, Electric System Revenue Refunding Bonds, Series 2020B (Federally Taxable), pursuant to the Electric System Revenue Obligations Master Resolution, adopted by the Board on June 20, 2002, and by the City Council on July 2, 2002, as amended and supplemented by the Ninth Supplemental Resolution.</p>	
<p><b>Recommended Council Action:</b> Approve the resolution.</p>	
<p>Describe previous action taken by any other entity (i.e. board, commission, task force, council committee, etc.) and date of any action taken: Approved by the MLGW Board of Commissioners on June 30, 2020.</p>	
<p><b>Does this item require city expenditure? Yes</b></p> <p>Click here to enter text.</p> <p>Click here to enter text.</p>	<p><b>Source and Amount of Funds:</b></p>

### Approvals

Director \_\_\_\_\_ Date \_\_\_\_\_

Division Chief \_\_\_\_\_ Date \_\_\_\_\_

Budget Manager \_\_\_\_\_ Date \_\_\_\_\_

MLGW SVP, CFO & CAO  
 Secretary-Treasurer Date 6/30/20

**Chief Operating Officer**

\_\_\_\_\_ Date \_\_\_\_\_

**Council Committee Chair**

\_\_\_\_\_ Date \_\_\_\_\_



## Memphis City Council Summary Sheet

- 1. Description of the Item (Resolution, Ordinance, etc.)** Resolution approving the issuance of, and recommending to and requesting that the City Council issue and sell, through negotiated sale, not to exceed \$53,000,000 principal amount of, Electric System Revenue Refunding Bonds, Series 2020B (Federally Taxable), pursuant to the Electric System Revenue Obligations Master Resolution, adopted by the Board on June 20, 2002, and by the City Council on July 2, 2002, as amended and supplemented by the Ninth Supplemental Resolution.
- 2. Initiating Party (e.g. Public Works, at request of City Council, etc.)**  
Memphis Light, Gas and Water Division
- 3. State whether this is a change to an existing ordinance or resolution, if applicable.**  
Not applicable
- 4. State whether this requires a new contract, or amends an existing contract, if applicable.**  
Not applicable.
- 5. State whether this requires an expenditure of funds/requires a budget amendment.**  
Not applicable.

**EXCERPT**  
from  
**MINUTES OF MEETING**  
of  
**BOARD OF LIGHT, GAS AND WATER COMMISSIONERS**  
**CITY OF MEMPHIS**  
held  
**June 30, 2020**

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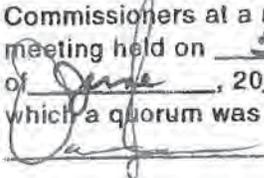
The Secretary-Treasurer recommended that the Board approve the issuance of, and recommend to and request that the City Council issue and sell, through negotiated sale, not to exceed \$53,000,000 principal amount of Electric System Revenue Refunding Bonds, Series 2020B (Federally Taxable) (the "Series 2020B Bonds"), pursuant to the Electric System Revenue Obligations Master Resolution, adopted by the Board on June 20, 2002, and by the City Council on July 2, 2002, as amended and supplemented to date (the "Master Resolution"), and as further supplemented by the Ninth Supplemental Resolution, captioned as follows, in substantially the form attached to this resolution as Exhibit "A" (the "Supplemental Resolution"):

A NINTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE ELECTRIC SYSTEM REVENUE OBLIGATIONS MASTER RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED FIFTY-THREE MILLION DOLLARS (\$53,000,000) PRINCIPAL AMOUNT OF ELECTRIC SYSTEM REVENUE REFUNDING BONDS, SERIES 2020B (FEDERALLY TAXABLE); ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; APPROVING THE SALE THEREOF BY NEGOTIATION; AUTHORIZING THE PREPARATION AND EXECUTION OF A BOND PURCHASE AGREEMENT AND PAYING AGENT AGREEMENT; AUTHORIZING THE PREPARATION, EXECUTION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT; AUTHORIZING THE PREPARATION AND EXECUTION OF AN ESCROW AGREEMENT; APPOINTING A BOND REGISTRAR, PAYING AGENT AND ESCROW AGENT; AND AUTHORIZING OFFICERS OF THE CITY TO TAKE ALL NECESSARY STEPS TO ACCOMPLISH THE SALE OF THE BONDS.

**NOW THEREFORE, BE IT RESOLVED, THAT**, the Board of Light, Gas & Water Commissioners hereby approves the issuance of the Series 2020B Bonds, adopts the Supplemental Resolution and recommends the forms, terms and conditions set forth therein to the Council of the City of Memphis for adoption, and to the extent required by the City's Charter and applicable law, requests that the City Council approve, issue and sell the Series 2020B Bonds.

**BE, IT FURTHER RESOLVED THAT**, the President and Secretary-Treasurer are hereby authorized to enter into, execute and/or deliver, and to recommend to the City Council for adoption, any clarifying amendments to the Master Resolution, or any amendments to the Master Resolution requested by any nationally recognized credit agencies that are providing ratings for the Series 2020B Bonds, and the President and Secretary-Treasurer are hereby authorized to enter into, execute and deliver the Bond Purchase Agreement and the Escrow Agreement, substantially in the form attached to this Resolution with such changes as they, in their discretion with the advice of Counsel, deem necessary and appropriate, and to prepare, execute and distribute the Preliminary Official Statement and the Official Statement described in the Supplemental Resolution, and to enter into such other agreements and documents and take such other actions as they in their discretion, deem to be necessary and appropriate in order to consummate the transactions contemplated hereby.

I hereby certify that the foregoing is a true copy of a resolution accepted by the Board of Light, Gas and Water Commissioners at a regular-~~special~~ meeting held on 30<sup>th</sup> day of June, 2020, at which a quorum was present.

  
Secretary-Treasurer



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**CITY OF MEMPHIS, TENNESSEE**

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**NINTH SUPPLEMENTAL RESOLUTION  
RELATING TO  
ELECTRIC SYSTEM REVENUE REFUNDING BONDS  
SERIES 2020B (FEDERALLY TAXABLE)**

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**Adopted [\_\_\_\_], 2020  
By the Board of Commissioners of the  
Memphis Light, Gas and Water Division**

**Adopted [\_\_\_\_], 2020  
By the City Council of the  
City of Memphis, Tennessee**

## NINTH SUPPLEMENTAL RESOLUTION

**NINTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE ELECTRIC SYSTEM REVENUE OBLIGATIONS MASTER RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED FIFTY-THREE MILLION DOLLARS (\$53,000,000) PRINCIPAL AMOUNT OF ELECTRIC SYSTEM REVENUE REFUNDING BONDS, SERIES 2020B (FEDERALLY TAXABLE); ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; APPROVING THE SALE THEREOF BY NEGOTIATION; AUTHORIZING THE PREPARATION AND EXECUTION OF A BOND PURCHASE AGREEMENT AND PAYING AGENT AGREEMENT; AUTHORIZING THE PREPARATION, EXECUTION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT; AUTHORIZING THE PREPARATION AND EXECUTION OF AN ESCROW AGREEMENT; APPOINTING A BOND REGISTRAR, PAYING AGENT AND ESCROW AGENT; AND AUTHORIZING OFFICERS OF THE CITY TO TAKE ALL NECESSARY STEPS TO ACCOMPLISH THE SALE OF THE BONDS**

**WHEREAS**, the City Council (the "Council") of the City of Memphis, Tennessee (the "City"), by resolution adopted on July 2, 2002, and the Board of Light, Gas and Water Commissioners (the "Board") of the Memphis Light, Gas and Water Division (the "Division"), by resolution adopted on June 20, 2002 (the "Master Resolution"), authorized electric system revenue obligations to finance the construction, extension, improvements and equipping of the electric system and facilities of the City operated by the Division (collectively, the "System," as more fully defined in the Master Resolution), and to refinance certain outstanding obligations of the City the proceeds of which were used to finance the construction, extension, improvements and equipping of the System and/or refinance certain outstanding obligations of the City; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a First Supplemental Resolution adopted by the City on July 2, 2002, and by the Division on June 20, 2002, Forty-One Million Six Hundred Twenty-Five Thousand Dollars (\$41,625,000) aggregate principal amount of its Electric System Revenue Refunding Bonds, Series 2002 (the "Series 2002 Bonds"), which such Series 2002 Bonds are no longer outstanding, to currently refund certain obligations of the City; and

**WHEREAS**, the Master Resolution has been amended by the First Supplemental Amending Resolution Relating to Master Electric Resolution, adopted by the City on October 21, 2003, and by the Division on October 16, 2003 (the "First Supplemental Amending Resolution"); and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a Second Supplemental Resolution adopted by the City on October 21, 2003, and by the Division on October 16, 2003, One Billion Three Hundred Ninety-Two Million One

Hundred Seventy Thousand Dollars (\$1,392,170,000) aggregate principal amount of its Electric System Subordinate Revenue Bonds, Series 2003A (the "Series 2003A Bonds"), and its Electric System Subordinate Revenue Bonds, Series 2003B (Auction Rate Securities) (the "Series 2003B Bonds," and the Series 2003A Bonds and the Series 2003B Bonds are also sometimes collectively referred to as the "Series 2003 Bonds"), which such Series 2003A Bonds are no longer outstanding and such Series 2003B Bonds have been refunded as described below; the Series 2003 Bonds were issued to prepay for capacity costs that entitled the Division to purchase electricity from the Tennessee Valley Authority ("TVA") for a period of fifteen years pursuant to an agreement among the City, the Division and TVA; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a Third Supplemental Resolution adopted by the City on June 3, 2008, and by the Division on May 1, 2008, Ninety-Six Million Nine Hundred Thirty Thousand Dollars (\$96,930,000) aggregate principal amount of its Electric System Subordinate Revenue Refunding Bonds, Series 2008 (the "Series 2008 Bonds"), which such Series 2008 Bonds are no longer outstanding, for the purpose of refunding the Series 2003B Bonds in their entirety; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a Fourth Supplemental Resolution adopted by the City on November 3, 2009, ratified and re-adopted by the City on December 1, 2009, and adopted by the Division on October 15, 2009, Four Hundred Sixty Million Fifty Thousand Dollars (\$460,050,000) aggregate principal amount of its Electric System Subordinate Revenue Refunding Bonds, Series 2010 (the "Series 2010 Bonds"), which such Series 2010 Bonds are no longer outstanding, for the purpose of refunding a portion of the Series 2003A Bonds; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a Fifth Supplemental Resolution adopted by the City on April 15, 2014, and adopted by the Division on April 8, 2014, Seventy-One Million Dollars (\$71,000,000) aggregate principal amount of its Electric System Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), which such Series 2014 Bonds are currently outstanding in the principal amount of \$58,240,000, for the purpose of financing the Costs of acquisition, expansion and/or improvements to the System; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a Sixth Supplemental Resolution adopted by the City on July 5, 2016, and adopted by the Division on June 1, 2016, Forty Million Dollars (\$40,000,000) aggregate principal amount of its Electric System Revenue Bonds, Series 2016 (the "Series 2016 Bonds"), which such Series 2016 Bonds are currently outstanding in the principal amount of \$36,040,000, for the purpose of financing the Costs of acquisition, expansion and/or improvements to the System; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a Seventh Supplemental Resolution adopted by the City on August 19, 2017, and adopted by the Division on July 19, 2017, Ninety Million Dollars (\$90,000,000) aggregate principal amount of its Electric System Revenue Bonds, Series 2017 (the "Series 2017 Bonds"), which such Series 2017 Bonds are currently outstanding in the principal amount of \$84,200,000,

for the purpose of financing the Costs of acquisition, expansion and/or improvements to the System; and

**WHEREAS**, concurrently herewith, the City intends to adopt pursuant to the Master Resolution, an Eighth Supplemental Resolution authorizing the issuance of not to exceed One Hundred Sixty Million Dollars (\$160,000,000) aggregate principal amount of its Electric System Revenue Bonds, Series 2020A (the "Series 2020A Bonds"), which such Series 2020A Bonds are being issued for the purpose of financing the Costs of acquisition, expansion and/or improvements to the System; and

**WHEREAS**, the Master Resolution requires that any supplemental resolution providing for the issuance of Revenue Obligations pursuant thereto specify certain matters with respect to such Revenue Obligations; and

**WHEREAS**, the Board has recommended to and requested that the Council issue pursuant to the Master Resolution, as supplemented by this Ninth Supplemental Resolution, not to exceed Fifty-Three Million Dollars (\$53,000,000) in principal amount of Electric System Revenue Refunding Bonds, Series 2020B (Federally Taxable) (the "Series 2020B Refunding Bonds"), to advance refund all or a part of the Outstanding Series 2014 Bonds (the "Refunded Series 2014 Bonds"), and to pay the costs of issuance and sale of the Series 2020B Refunding Bonds; and

**WHEREAS**, the issuance of the Series 2020B Refunding Bonds to refund the Refunded Series 2014 Bonds will result in a debt service savings to the City, and the issuance of the Series 2020B Refunding Bonds shall be accomplished in compliance with the Division's Debt Management Policy; and

**WHEREAS**, the principal of and interest on the Series 2020B Refunding Bonds shall be payable solely from and be secured by a pledge of the Pledged Revenues (as defined in the Master Resolution) consisting of a Senior Lien on the General Revenues and the funds and accounts established for the Series 2020B Refunding Bonds which is on a parity and equality of lien with respect to such Pledged Revenues with any Outstanding Senior Lien Revenue Obligations and any additional Senior Lien Revenue Obligations hereafter issued and senior in lien and right of payment to any Outstanding Subordinate Lien Obligations or any Subordinate Lien Obligations issued in the future; and

**WHEREAS**, as of the date hereof, the Outstanding Series 2014 Bonds, the Outstanding Series 2016 Bonds and the Outstanding Series 2017 Bonds are the only Outstanding Revenue Obligations under the Resolution, and each of the Outstanding Series 2014 Bonds, the Outstanding Series 2016 Bonds and the Outstanding Series 2017 Bonds constitute Senior Lien Revenue Obligations under the Resolution; and

**WHEREAS**, for the purposes of authorizing the advance refunding of all or a portion of the Series 2014 Bonds and the issuance and negotiated sale of the Series 2020B Refunding Bonds, the pledging of the Pledged Revenues for the payment of the principal of and interest on the Series 2020B Refunding Bonds, the preparation, execution and delivery of a bond purchase agreement and a paying agent agreement, the preparation, execution and distribution of a

preliminary and final official statement, the preparation and execution of an escrow agreement, the appointment of a paying agent, bond registrar and escrow agent, and authorizing the execution of such documents and certificates as shall be necessary to consummate the sale and delivery of the Series 2020B Refunding Bonds, the Council of the City of Memphis, Tennessee, adopts this Ninth Supplemental Resolution.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE AS FOLLOWS:**

**ARTICLE I  
DEFINITIONS AND FINDINGS**

**SECTION 1.01 Ninth Supplemental Resolution; Definitions.**

This Ninth Supplemental Resolution is adopted pursuant to and in accordance with Section 2.01 of the Master Resolution. The definitions in the Master Resolution and all terms, covenants, restrictions and provisions of the Master Resolution shall be applicable to the Series 2020B Refunding Bonds authorized by this Ninth Supplemental Resolution and the proceeds thereof, except as otherwise expressly provided herein. The Master Resolution, as previously supplemented and as amended by the First Supplemental Amending Resolution, and as supplemented by this Ninth Supplemental Resolution (hereinafter sometimes referred to collectively as the "Resolution"), shall be read, taken and construed as one and the same instrument. All terms as defined in the Master Resolution shall have the same meaning herein, unless the context otherwise indicates.

**SECTION 1.02 Special Definitions.**

Except as provided by this Ninth Supplemental Resolution, all terms which are defined in Section 1.01 of the Master Resolution, as amended by the First Supplemental Amending Resolution, shall have the same meanings, respectively, in this Ninth Supplemental Resolution as such terms are given in said Section 1.01 of the Master Resolution. As used in this Ninth Supplemental Resolution, the following words and phrases shall have the meanings hereinafter set forth unless the context shall clearly indicate that another meaning is intended.

**"Beneficial Owner"** has the meaning specified in Section 2.01(i) hereof.

**"Bond Purchase Agreement"** means a Bond Purchase Agreement, dated as of the sale of the Series 2020B Refunding Bonds, entered into by and among the City, the Division and the Underwriters, in the form of the document attached hereto and incorporated herein by reference as Exhibit A, subject to such changes therein as shall be permitted by Section 4.01 hereof.

**"Bond Registrar"** means Regions Bank, Nashville, Tennessee, appointed as Bond Registrar for the Series 2020B Refunding Bonds under Section 2.01(d) hereof and approved under Section 4.01(d) hereof, or any successor designated by the Council.

**"Bond Series Certificate"** means the certificate executed and delivered by the Mayor of the City and the President or Secretary-Treasurer of the Division, fixing terms, conditions and other details of the Series 2020B Refunding Bonds, including the terms and conditions for

redemption of the Series 2020B Refunding Bonds, if any, and the refunding of the Refunded Series 2014 Bonds, all within the parameters established under this Ninth Supplemental Resolution.

**“Book-Entry Form”** or **“Book-Entry System”** means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of bonds being held by and “immobilized” in the custody of such Depository, and under which records maintained by persons, other than the City or the Bond Registrar/Paying Agent, constitute the record that identifies and records the transfer of, the beneficial “book-entry” interests in those bonds.

**“Co-Bond Counsel”** means The Wade Law Firm, PLLC, Butler Snow LLP or any other attorney at law or a firm of attorneys, designated by the City, of nationally recognized standing in matters pertaining to the excludability from gross income for federal income tax purposes of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

**“Code”** means the Internal Revenue Code of 1986, as amended and any regulations thereunder.

**“Defaulted Interest”** has the meaning specified in Section 2.01(f) hereof.

**“Depository”** means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC.

**“Division”** means the Board of Light, Gas and Water Commissioners operating the Memphis Light, Gas and Water Division of the City, established pursuant to Private Acts of Tennessee, 1939, Chapter 381, as amended, and any board, body, agency or instrumentality of the City which shall hereafter succeed to the powers, duties and functions of said Board.

**“DTC”** means The Depository Trust Company, New York, New York, or its nominee, or its successors and assigns, or any other depository performing similar functions under the Resolution.

**“DTC Participant(s)”** means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System.

**“Escrow Agent”** means the Regions Bank, Nashville, Tennessee, or any successor appointed pursuant to Section 4.04(a) hereof.

**“Escrow Agreement”** shall mean the Escrow Agreement, dated as of the date of the Series 2020B Refunding Bonds, to be entered into by and between the City and the Escrow Agent, in the form of the document attached hereto and incorporated herein by this reference as Exhibit B, subject to such changes therein as shall be permitted by Section 4.04 hereof.

**“First Supplemental Amending Resolution”** has the meaning assigned to such term in the recitals to this Ninth Supplemental Resolution.

**“Interest Payment Date”** means the first day of June and December of each year the Series 2020B Refunding Bonds are outstanding, commencing December 1, 2020, or such other dates as shall be established pursuant to Section 4.01 hereof.

**“Master Resolution”** means the Electric System Revenue Obligations Master Resolution adopted by the City on July 2, 2002 and by the Board on June 20, 2002, as amended from time to time, authorizing the issuance of electric system revenue obligations pursuant to supplemental resolutions.

**“Paying Agent Agreement”** shall mean the Paying Agent Agreement dated as of the date of the Series 2020B Refunding Bonds, to be entered into by and between the City and the Bond Registrar/Paying Agent.

**“Paying Agent”** means Regions Bank, Nashville, Tennessee, appointed as Paying Agent for the Series 2020B Refunding Bonds under Section 2.01(d) hereof and approved under Section 4.01(d) hereof, or any successor designated by the Council.

**“Principal Payment Date”** means, with respect to the Series 2020B Refunding Bonds, the first day of December in the years 2021 through and including 2034, or on such other dates as shall be established pursuant to Section 4.01 hereof.

**“Record Date”** means with respect to the Series 2020B Refunding Bonds, the fifteenth (15<sup>th</sup>) day of the month preceding each Interest Payment Date, whether or not such date is a business day.

**“Rule 15c2-12”** has the meaning specified in Section 4.04 hereof.

**“Refunded Series 2014 Bonds”** has the meaning assigned to such term in the recitals to this Ninth Supplemental Resolution.

**“Series 2014 Bonds”** has the meaning assigned to such term in the recitals to this Ninth Supplemental Resolution.

**“Series 2020B Refunding Bonds”** means not to exceed \$53,000,000 Electric System Revenue Refunding Bonds, Series 2020B (Federally Taxable), of the City, to be dated the date of issuance, or such other date and series designation shall be established pursuant to Section 4.01 hereof.

**“Ninth Supplemental Resolution”** means this resolution adopted by the Council supplementing the Master Resolution and authorizing the issuance of the Series 2020B Refunding Bonds.

**“Special Record Date”** has the meaning specified in Section 2.01(f) hereof.

**“Underwriter(s)”** means Raymond James & Associates, Inc., Memphis, Tennessee and any other underwriters selected pursuant to Section 4.01 hereof.

**SECTION 1.03 Findings of the Council.**

It is hereby found and determined by the Council as follows:

The refunding of all or a portion of the Series 2014 Bonds as set forth herein through the issuance of the Series 2020B Refunding Bonds is expected to result in the reduction in debt service payable by the City on the Refunded Series 2014 Bonds thereby effecting a cost savings to the public; and

It is advantageous for the City to issue the Series 2020B Refunding Bonds and to use the proceeds thereof, along with other funds of the Division described herein, (a) to make a deposit with the Bond Registrar/Paying Agent/Escrow Agent pursuant to the terms of this Resolution and the Bond Series Certificate, which, together with investment income thereon, will be sufficient to pay principal of, premium, if any, and interest on the Refunded Series 2014 Bonds and (b) to pay the costs of issuance and sale of the Series 2020B Refunding Bonds.

**ARTICLE II  
AUTHORIZATION AND TERMS OF SERIES 2020B REFUNDING BONDS**

**SECTION 2.01 Authorization and Terms of the Series 2020B Refunding Bonds.**

(a) Pursuant to the provisions of Chapter 34, Title 7, Tennessee Code Annotated, the Charter of the City and the Master Resolution, and for the purpose of providing funds to advance refund all or a portion of the Outstanding Series 2014 Bonds and to pay the costs incident to the issuance and sale of the Series 2020B Refunding Bonds, as more fully set forth in Section 4.01 hereof, there are hereby authorized to be issued electric system revenue refunding bonds of the City in the aggregate principal amount of not to exceed \$53,000,000. The Series 2020B Refunding Bonds shall be issued as Senior Lien Revenue Obligations under the Master Resolution and are entitled to the benefit, protection and security of the provisions of the Master Resolution in the manner provided herein. The Series 2020B Refunding Bonds shall be issued under the Master Resolution in fully registered, book-entry only form, without coupons, shall be known as "Electric System Revenue Refunding Bonds, Series 2020B (Federally Taxable)", or such other appropriate designation as may be determined by the Mayor and the President or Secretary-Treasurer of the Division pursuant to Section 4.01 hereof, and shall be dated the date of issuance, or such other dated date as may be determined by the Mayor and the President or Secretary-Treasurer of the Division pursuant to Section 4.01 hereof and shall be lettered 20BR and numbered from one (1) consecutively upwards. The rate or rates on the Series 2020B Refunding Bonds shall not exceed five and one-half percent (5.50%) per annum. Subject to the adjustments permitted pursuant to Section 4.01 hereof, interest on the Series 2020B Refunding Bonds shall be payable semi-annually on each Interest Payment Date, commencing December 1, 2020. The Series 2020B Refunding Bonds shall be issued in \$5,000 denominations or integral multiples thereof, as shall be requested by the Underwriter, and shall mature on each Principal Payment Date commencing December 1, 2021, and ending December 1, 2034, the final maturity date of the Series 2020B Refunding Bonds (with each such date being subject to the adjustments permitted pursuant to Section 4.01 hereof) in such amounts and at such rates as shall be established in the Bond Series Certificate.

(b) The Debt Service Reserve Requirement, if any, for the Series 2020B Refunding Bonds shall be determined by the Mayor and the President or Secretary-Treasurer to the extent not inconsistent with this Resolution.

(c) The Series 2020B Refunding Bonds may contain such optional or mandatory redemption provisions, if any, as may be determined by the Mayor and the President or Secretary-Treasurer of the Division pursuant to Section 4.01 hereof. Any notice of redemption of Series 2020B Refunding Bonds shall be given by the Bond Registrar on behalf of the Division by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Series 2020B Refunding Bonds to be redeemed, and any such notice of redemption shall otherwise comply with Article III of the Master Resolution.

(d) The Bond Registrar/Paying Agent is hereby appointed and is hereby authorized and directed to maintain the Bond Register with respect to the Series 2020B Refunding Bonds, to authenticate and deliver the Series 2020B Refunding Bonds as provided herein and in the Master Resolution, either at original issuance or upon transfer, to effect transfers of the Series 2020B Refunding Bonds, to make all payments of principal and interest with respect to the Series 2020B Refunding Bonds as provided herein, to cancel and destroy Series 2020B Refunding Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the City at least annually a certificate of destruction with respect to Series 2020B Refunding Bonds canceled and destroyed, and to furnish the City at least annually an audit confirmation of Series 2020B Refunding Bonds paid, Series 2020B Refunding Bonds outstanding and payments made with respect to interest on the Series 2020B Refunding Bonds. The President of the Division is hereby authorized to execute and the Secretary-Treasurer is hereby authorized to attest such written agreement between the City and the Bond Registrar/Paying Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Bond Registrar/Paying Agent. The payment of all reasonable fees and expenses of the Bond Registrar/Paying Agent by the Division for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

(e) The Series 2020B Refunding Bonds shall be payable, principal and interest, in lawful money of the United States of America at the principal corporate trust office of the Paying Agent as provided in the Master Resolution. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

(f) Any interest on any Bond that is payable but is not punctually paid or duly provided for on any Interest Payment Date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the City to the persons in whose names the Series 2020B Refunding Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the City shall notify the Bond Registrar/Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the City shall deposit with the Bond Registrar/Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or

shall make arrangements satisfactory to the Bond Registrar/Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Bond Registrar/Paying Agent of the notice of the proposed payment, the Bond Registrar/Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest, which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Bond Registrar/Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Bond Registrar/Paying Agent as of the date of such notice. Nothing contained in this Section or in the Series 2020B Refunding Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the City to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series 2020B Refunding Bonds when due.

(g) The Series 2020B Refunding Bonds may be transferred and exchanged as provided in the Master Resolution; provided, however, the Bond Registrar/Paying Agent shall not be required to transfer or exchange any Bond during the period commencing on a Record Date or Special Record Date and ending on the corresponding Interest Payment Date of such Bond. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar/Paying Agent shall be affected by any notice to the contrary whether or not any payments due on the Series 2020B Refunding Bonds shall be overdue.

(h) The Series 2020B Refunding Bonds shall be executed as provided in Section 2.03 of the Master Resolution.

(i) Except as otherwise provided in this Ninth Supplemental Resolution, the Series 2020B Refunding Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Series 2020B Refunding Bonds. References in this Section to a Series 2020B Refunding Bond or the Series 2020B Refunding Bonds shall be construed to mean the Series 2020B Refunding Bond or the Series 2020B Refunding Bonds that are held under the Book-Entry System. One Series 2020B Refunding Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series 2020B Refunding Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series 2020B Refunding Bonds. Beneficial ownership interests in the Series 2020B Refunding Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series 2020B Refunding Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial

Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series 2020B Refunding Bonds. Transfers of ownership interests in the Series 2020B Refunding Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES 2020B REFUNDING BONDS, THE BOND REGISTRAR/PAYING AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE SERIES 2020B REFUNDING BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF AND INTEREST ON THE SERIES 2020B REFUNDING BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE BOND REGISTRAR/PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal and interest with respect to the Series 2020B Refunding Bonds, so long as DTC is the only owner of the Series 2020B Refunding Bonds, shall be paid by the Bond Registrar/Paying Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation relating to the Series 2020B Refunding Bonds from the City and the Bond Registrar/Paying Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The City and the Bond Registrar/Paying Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Series 2020B Refunding Bonds or (2) the City determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Series 2020B Refunding Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2020B Refunding Bonds, the City shall discontinue the Book-Entry System with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City shall cause the Bond Registrar/Paying Agent to authenticate and deliver replacement Series 2020B Refunding Bonds in the form of fully registered Series 2020B Refunding Bonds to each Beneficial Owner in accordance with the Master Resolution.

THE CITY AND THE BOND REGISTRAR/PAYING AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES 2020B REFUNDING BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2020B REFUNDING BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS; (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2020B REFUNDING BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

(j) The Bond Registrar/Paying Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series 2020B Refunding Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series 2020B Refunding Bonds, utilization of electronic book-entry data received from DTC in place of actual delivery of Series 2020B Refunding Bonds and provision of notices with respect to Series 2020B Refunding Bonds registered by DTC (or any of its designees identified to the Bond Registrar/Paying Agent) by overnight delivery, courier service, telegram, teletype or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Series 2020B Refunding Bonds, provided, however, that the Bond Registrar/Paying Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

(k) The Bond Registrar/Paying Agent is hereby authorized to authenticate and deliver the Series 2020B Refunding Bonds to the Underwriter, as the original purchaser, upon receipt by the Division, on behalf of the City, of the proceeds of the sale thereof and to authenticate and deliver Series 2020B Refunding Bonds in exchange for Series 2020B Refunding Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series 2020B Refunding Bonds shall not be valid for any purpose unless authenticated by the Bond Registrar/Paying Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

#### **SECTION 2.02 Security and Source of Payment.**

The Series 2020B Refunding Bonds are payable solely from and secured by a pledge of the Pledged Revenues as provided in the Master Resolution, consisting of a Senior Lien on the General Revenues and the funds and accounts established for the Series 2020B Refunding Bonds, which is on a parity and equality of lien with respect to such Pledged Revenues with any Outstanding Senior Lien Revenue Obligations and any additional Senior Lien Revenue Obligations hereafter issued, and such lien is senior in lien and right of payment to any Outstanding Subordinate Lien Obligations or any Subordinate Lien Obligations issued in the future. As set forth in the Master Resolution, the City has no obligation to levy any taxes to pay the Series 2020B Refunding Bonds, and therefore the owners of the Series 2020B Refunding Bonds shall have no recourse to the power of taxation of the City. The punctual payment of principal of, premium, if any, and interest on the Series 2020B Refunding Bonds and any Additional Obligations hereafter issued as Senior Lien Revenue Obligations under the Master Resolution shall be secured equally and ratably by said Pledged Revenues without priority by reason of series, number or time of sale and delivery. The City has covenanted that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of, premium, if any, and interest on Revenue Obligations issued under the Master Resolution, including the Series 2020B Refunding Bonds and any bonds hereafter issued on a parity with the Series 2020B Refunding Bonds, as each payment becomes due. For a more complete statement of the general covenants and provisions pursuant to which the Series 2020B Refunding Bonds are issued, reference is hereby made to said Resolution.

[Remainder of page intentionally left blank]



**ARTICLE III**  
**FORM OF SERIES 2020B REFUNDING BONDS**

The Series 2020B Refunding Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Series 2020B Refunding Bonds are prepared and delivered:

(Form of Face of Bond)

AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE RESOLUTION TO THE CONTRARY, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO A NOMINEE OF DTC, OR BY A NOMINEE OF DTC TO DTC OR A NOMINEE OF DTC, OR BY DTC OR A NOMINEE OF DTC TO ANY SUCCESSOR SECURITIES DEPOSITORY OR ANY NOMINEE THEREOF.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT FOR PAYMENT OF PRINCIPAL OR REDEMPTION PRICE, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, CEDE & CO., AS NOMINEE OF DTC, HAS AN INTEREST HEREIN.

REGISTERED  
Number 20BR-\_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TENNESSEE  
COUNTY OF SHELBY  
CITY OF MEMPHIS

ELECTRIC SYSTEM REVENUE REFUNDING BOND, SERIES 2020B (FEDERALLY TAXABLE)

Interest Rate:

Maturity Date:

Date of Bond:

CUSIP No.

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That the City of Memphis, a municipal corporation lawfully organized and existing in Shelby County, Tennessee (the "City"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date, said interest being payable on December 1, 2020, and semi-annually thereafter on the first day of June and December in each year until this Series 2020B Refunding Bond matures. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of Regions Bank, Nashville, Tennessee, as registration agent and paying agent (the "Bond Registrar/Paying Agent"). The Bond Registrar/Paying Agent shall make all interest payments with respect to this Series 2020B Refunding Bond on each interest payment date directly to the registered owner hereof shown on the Series 2020B Refunding Bond registration records maintained by the Bond Registrar/Paying Agent as of the close of business on the fifteenth (15<sup>th</sup>) day of the month next preceding the interest payment date (the "Record Date") by check or draft mailed to such owner at such owner's address shown on said Series 2020B Refunding Bond registration records, without, except for final payment, the presentation or surrender of this Series 2020B Refunding Bond, and all such payments shall discharge the obligations of the City to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Series 2020B Refunding Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Bond Registrar/Paying Agent, notice of which shall be given to the owners of the Series 2020B Refunding Bonds of the issue of which this Series 2020B Refunding Bond is one not more than fifteen (15) nor less than ten (10) days prior to such Special Record Date. Payment of principal of this Series 2020B Refunding Bond shall be made when due upon presentation and surrender of this Series 2020B Refunding Bond to the Bond Registrar/Paying Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Series 2020B Refunding Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2020B Refunding Bonds of the series of which this Series 2020B Refunding Bond is one. One Series 2020B Refunding Bond for each maturity of the Series 2020B Refunding Bonds shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Series 2020B Refunding Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on

the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Series 2020B Refunding Bonds, the City and the Bond Registrar/Paying Agent shall treat Cede & Co., as the only owner of the Series 2020B Refunding Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of and interest on the Series 2020B Refunding Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, premium, if any, and interest with respect to the Series 2020B Refunding Bonds, so long as DTC is the only owner of the Series 2020B Refunding Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the City nor the Bond Registrar/Paying Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Series 2020B Refunding Bonds or (2) the City determines that the continuation of the book-entry system of evidence and transfer of ownership of the Series 2020B Refunding Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2020B Refunding Bonds, the City may discontinue the book-entry system with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City shall cause the Bond Registrar/Paying Agent to authenticate and deliver replacement Series 2020B Refunding Bonds in the form of fully registered Series 2020B Refunding Bonds to each Beneficial Owner. Neither the City nor the Bond Registrar/Paying Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Series 2020B Refunding Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Series 2020B Refunding Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners; (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Series 2020B Refunding Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

[Series 2020B Refunding Bonds of the issue of which this Series 2020B Refunding Bond is one maturing \_\_\_\_\_ through \_\_\_\_\_ shall mature without the option of prior redemption. Series 2020B Refunding Bonds of the issue of which this Series 2020B Refunding Bond is one maturing \_\_\_\_\_ (or portions thereof in installments of \$5,000) and thereafter shall be subject to redemption at the option of the City, at the direction of the Board of the Memphis Light, Gas and Water Division (the "Division"), in whole or in part on \_\_\_\_\_, any by lot within a maturity (if less than a full maturity is to be redeemed), and at any time thereafter at a price of par plus interest accrued to the redemption date.]

OR, [The Series 2020B Refunding Bonds shall not be subject to redemption prior to maturity].

Notice of any redemption of Series 2020B Refunding Bonds shall either (i) explicitly state that the proposed redemption is conditioned on there being on deposit in the applicable fund

or account on the redemption date sufficient money to pay the full redemption price of the Series 2020B Refunding Bonds to be redeemed, or (ii) be sent only if sufficient money to pay the full redemption price of the Series 2020B Refunding Bonds to be redeemed is on deposit in the applicable funds or account.

IF TERM BONDS ARE ISSUED, THE FOLLOWING PROVISIONS SHALL BE INCLUDED:

[The City, at the direction of the Division, shall redeem Series 2020B Refunding Bonds maturing \_\_\_\_\_ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Series 2020B Refunding Bonds of which this Series 2020B Refunding Bond is one, or such Person as shall then be serving as the securities depository for the Series 2020B Refunding Bonds, shall determine the interest of each DTC Participant in the Series 2020B Refunding Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Series 2020B Refunding Bonds, the Series 2020B Refunding Bonds to be redeemed within a maturity shall be selected by the Bond Registrar by lot or such other random manner as the Bond Registrar in its discretion shall select. The dates of redemption and principal amount of Series 2020B Refunding Bonds to be redeemed on said dates are as follows:

<u>Stated Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Series 2020B Refunding Bonds Redeemed</u>
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\*Final Maturity

At its option, to be exercised on or before the forty-fifth (45<sup>th</sup>) day next preceding any such redemption date, the City, at the direction of the Division, may (i) deliver to the Bond Registrar for cancellation Series 2020B Refunding Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2020B Refunding Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Bond Registrar and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series 2020B Refunding Bond so delivered or previously purchased or redeemed shall be credited by the Bond Registrar at 100% of the principal amount thereof on the obligation of the City on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series 2020B Refunding Bond to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The City, at the direction of the Division, shall on or before the forty-fifth (45<sup>th</sup>) day next preceding each payment furnish the Bond Registrar with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the

balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Notice of call for redemption shall be given by the Bond Registrar on behalf of the Division by mailing a copy of an official redemption notice by first class mail at least twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owners of the Series 2020B Refunding Bonds to be redeemed at the addresses shown on the Bond Register. As long as DTC, or a successor Depository, is the registered owner of the Series 2020B Refunding Bonds, all redemption notices shall be mailed by the Bond Registrar to DTC, or such successor Depository, as the registered owner of the Series 2020B Refunding Bonds, as and when above provided, and none of the City, the Division nor the Bond Registrar shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Series 2020B Refunding Bonds called for redemption shall cease to bear interest if funds are available at the office of the Bond Registrar for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.

This Series 2020B Refunding Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar/Paying Agent set forth above, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Series 2020B Refunding Bond. Upon such transfer, a new Series 2020B Refunding Bond or Series 2020B Refunding Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Series 2020B Refunding Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar/Paying Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Series 2020B Refunding Bonds, upon surrender to the Bond Registrar/Paying Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Series 2020B Refunding Bonds of the same maturity in any authorized denomination or denominations, upon the terms set forth in the Resolution. The Bond Registrar/Paying Agent shall not be required to transfer or exchange any Series 2020B Refunding Bond during the period commencing on a Record Date or Special Record Date and ending on the corresponding interest payment date of such Series 2020B Refunding Bond.

This Series 2020B Refunding Bond is one of a total authorized issue aggregating \$\_\_\_\_\_ and issued by the City for the purpose of providing funds to advance refund the City's Electric System Revenue Bonds, Series 2014, dated June 3, 2014, and maturing December 1 of [\_\_\_\_\_] through [\_\_\_\_\_] (the "Refunded Series 2014 Bonds"), and to pay costs of issuance to the Series 2020B Refunding Bonds, under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 7-34-101 *et seq.*, and Sections 9-21-101, *et seq.*, Tennessee Code Annotated, and pursuant to the Master Resolution duly adopted by the City Council of the City on the 2<sup>nd</sup> day of July, 2002, as amended and supplemented from time to time and in particular as supplemented by the Ninth Supplemental

Resolution duly adopted by the City Council of the City on the [ ] day of [ ], 2020 (collectively, the "Resolution").

This Series 2020B Refunding Bond and the interest thereon is payable solely from and secured by a pledge of the Pledged Revenues (as defined in the Master Resolution) as provided in the Master Resolution, consisting of a Senior Lien on the General Revenues and the funds and accounts established for the Series 2020B Refunding Bonds, which is on a parity and equality of lien with respect to such Pledged Revenues with any Outstanding Senior Lien Revenue Obligations and any additional Senior Lien Revenue Obligations hereafter issued, and such lien is senior in lien and right of payment to any Outstanding Subordinate Lien Obligations or any Subordinate Lien Obligations issued in the future. As set forth in the Master Resolution, the City has no obligation to levy any taxes to pay the Series 2020B Refunding Bonds, and therefore the owners of the Series 2020B Refunding Bonds shall have no recourse to the power of taxation of the City. The Series 2020B Refunding Bonds do not constitute a debt of the City or the Division. The punctual payment of principal of, premium, if any, and interest on the Series 2020B Refunding Bonds and any Additional Obligations hereafter issued as Senior Lien Revenue Obligations under the Master Resolution shall be secured equally and ratably by said Pledged Revenues without priority by reason of series, number or time of sale and delivery. The City has covenanted that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of, premium, if any, and interest on Revenue Obligations issued under the Master Resolution. For a more complete statement of the security for the Series 2020B Refunding Bonds, the rate covenant referenced in the previous sentence and the general covenants and provisions pursuant to which this Series 2020B Refunding Bond is issued, reference is hereby made to the Resolution.

This Series 2020B Refunding Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Series 2020B Refunding Bond during the period the Series 2020B Refunding Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2020B Refunding Bond in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

This Series 2020B Refunding Bond shall not be entitled to any benefit under the Resolution, or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Bond Registrar of the Bond Registrar's Certificate of Authentication hereon.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2020B Refunding Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2020B Refunding Bond, together with all other indebtedness of the City, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the City has caused this Series 2020B Refunding Bond to be signed by its Mayor with his manual or facsimile signature and attested by its Comptroller with her manual or facsimile signature under an impression or facsimile of the corporate seal of the City, all as of the date hereinabove set forth.

CITY OF MEMPHIS, TENNESSEE

BY: \_\_\_\_\_  
Mayor

(SEAL)

ATTESTED:

\_\_\_\_\_  
Comptroller

Transferable and payable at the principal corporate trust office of:

Date of Registration: \_\_\_\_\_

This Series 2020B Refunding Bond is one of the issue of Series 2020B Refunding Bonds issued pursuant to the Resolution hereinabove described.

REGIONS BANK, Bond Registrar/Paying Agent

By: \_\_\_\_\_  
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto \_\_\_\_\_, whose address is \_\_\_\_\_ (Please insert Federal Identification or Social Security Number of Assignee \_\_\_\_\_), the within Series 2020B Refunding Bond of the City of Memphis, Tennessee, and does hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the said Series 2020B Refunding Bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Series 2020B Refunding Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE; Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Bond Registrar/Paying Agent.

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**ARTICLE IV**  
**SALE OF SERIES 2020B REFUNDING BONDS, APPROVAL OF OFFICIAL**  
**STATEMENT, PROVISIONS RELATING TO REFUNDING AND REDEMPTION OF**  
**REFUNDED SERIES 2014 BONDS, ESTABLISHMENT OF ACCOUNTS**

**SECTION 4.01      Sale of Series 2020B Refunding Bonds.**

(a) The Series 2020B Refunding Bonds shall be sold by the Mayor and the President or Secretary-Treasurer of the Division to the Underwriters through a negotiated sale at a price of not less than 97% of the par value of the Series 2020B Refunding Bonds actually issued, plus accrued interest, as shall be determined by the Mayor and the President or Secretary-Treasurer of the Division. The sale of the Series 2020B Refunding Bonds by the Mayor shall be binding on the City, and no further action of the Council or the Division with respect thereto shall be required.

(b) To facilitate the sale of the Series 2020B Refunding Bonds in a manner that is in the best interest of the City and the Division and results in the greatest financial benefit for the City, the Mayor and the President or Secretary-Treasurer of the Division are authorized to establish the following with respect to the Series 2020B Refunding Bonds pursuant to the Bond Series Certificate: (1) to designate the maturities of the Series 2014 Bonds to be refunded so long as it will maximize the financial objectives of the City and the Division; (2) to change the dated date of the Series 2020B Refunding Bonds to a date other than the date of issuance; (3) to change the series designation of the Series 2020B Refunding Bonds; (4) to adjust principal and interest payment dates of the Series 2020B Refunding Bonds so long as the final maturity dates are not later than December 1, 2034; (5) to decrease the total amount of Series 2020B Refunding Bonds authorized to be issued herein; (6) to establish the price at which the Series 2020B Refunding Bonds are sold to the Underwriters within the parameters of Section 4.01(a) above; (7) to establish the interest rates for the Series 2020B Refunding Bonds, so long as the rate or rates do not exceed five and one-half percent (5.50%) per annum; (8) to establish the principal amounts of the Series 2020B Refunding Bonds maturing in each year, provided that the total projected debt service costs on the Series 2020B Refunding Bonds calculated to maturity at their stated rate(s) does not exceed the total projected debt service costs on the Refunded Series 2014 Bonds calculated from the dated date of the Series 2020B Refunding Bonds to maturity of the Refunded Series 2014 Bonds; (9) to establish such optional and mandatory redemption provisions as may be necessary to maximize the financing objectives of the Division; (10) to designate a portion of the Series 2020B Refunding Bonds as term bonds with mandatory redemption provisions established in the Bond Series Certificate; (11) to determine the redemption dates for the Refunded Series 2014 Bonds and the maturity dates for permitted investments in which the proceeds of the sale of the Series 2020B Refunding Bonds shall be invested pending redemption of the Refunded Series 2014 Bonds; (12) to establish the Debt Service Reserve Requirement for the Series 2020B Refunding Bonds; provided that the Debt Service Reserve Requirement may be \$-0-; and (13) to issue the Series 2020B Refunding Bonds as federally taxable bonds, or, if the Series 2020B Refunding Bonds will meet the applicable requirements under the Code, to issue the Series 2020B Refunding Bonds as Tax-Exempt Bonds. The Mayor and the President or Secretary-Treasurer of the Division are further authorized to cause all or a portion of the Series 2020B Refunding Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to enter into

agreements with the insurance company with respect to the Series 2020B Refunding Bonds to the extent not inconsistent with the Resolution.

(c) The Mayor is hereby authorized to execute and accept, and the President of the Division to acknowledge, a Bond Purchase Agreement with the Underwriters, providing for the purchase and sale of the Series 2020B Refunding Bonds. The Mayor and the President or Secretary-Treasurer of the Division have previously been authorized to select the Underwriter or Underwriters with whom the City will negotiate the purchase and sale of the Series 2020B Refunding Bonds. The Bond Purchase Agreement shall be in substantially the form attached hereto as Exhibit A, with such changes, insertions and omissions as may be approved by The Mayor and the President or Secretary-Treasurer of the Division upon advice and counsel of the Division's General Counsel and Co-Bond Counsel, which such changes, insertions and omissions are in all respects approved, provided the Bond Purchase Agreement accomplishes the sale of the Series 2020B Refunding Bonds in accordance with the provisions of the Resolution, and is not inconsistent with the terms of the Resolution.

(d) The Mayor and the President or Secretary-Treasurer of the Division are authorized to engage and employ such firms and professionals that they deem necessary to consummate the transactions contemplated herein and to negotiate engagements with all of said firms at rates and amounts prevailing in the municipal bond industry for the work to be performed by such firms. The appointment of Regions Bank, Nashville, Tennessee, to serve as the Bond Registrar/Paying Agent under this Ninth Supplemental Resolution is hereby approved. The Mayor, the President and the Secretary-Treasurer of the Division are hereby authorized, empowered and directed to execute and deliver agreements with the Bond Registrar/Paying Agent in the name and on behalf of the City and the Division, including the Paying Agent Agreement, and shall be authorized to modify the terms and conditions of the Paying Agent Agreement as they shall determine to be necessary or appropriate.

(e) The Mayor and the Comptroller of the City, or either of them, are authorized to cause the Series 2020B Refunding Bonds to be authenticated and delivered by the Bond Registrar/Paying Agent to the Underwriter and to execute, publish, and deliver all certificates and documents, including a preliminary official statement, an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Series 2020B Refunding Bonds.

#### **SECTION 4.02      Establishment of Accounts.**

(a) A Series 2020B Refunding Bond Senior Lien Revenue Interest Subaccount (the "Interest Subaccount") is hereby established within the Interest Account of the Electric System Sinking Fund which is established pursuant to Section 4.02(b)(1) of the Master Resolution. On or before each Interest Payment Date, the Division shall deposit to the Interest Subaccount an amount which, together with any other monies already on deposit therein and available to make such payment, is not less than the interest coming due on the Series 2020B Refunding Bonds and any other Senior Lien Revenue Obligations payable from the Interest Subaccount on such Interest Payment Date.

(b) A Series 2020B Refunding Bond Senior Lien Revenue Principal Subaccount (the "Principal Subaccount") is hereby established within the Principal Account of the Electric System Sinking Fund which is established pursuant to Section 4.02(b)(4) of the Master Resolution. On or before each Principal Payment Date, the Division shall deposit in the Principal Subaccount an amount which, together with any other monies already on deposit therein and available to make such payment, is not less than the principal coming due on the Series 2020B Refunding Bonds and any other Senior Lien Revenue Obligations payable from such Principal Subaccount on such Principal Payment Date.

(c) There has been created under the Escrow Agreement a special account of the Division to be known as the "City of Memphis, Tennessee, Electric System Revenue Refunding Bonds, Series 2020B (Federally Taxable), 2020 Escrow Fund" (the "Escrow Fund"), which shall be held in trust and administered by the Escrow Agent pursuant to the terms and conditions of the Escrow Agreement, and shall be drawn upon for the sole purpose of paying the principal of, premium, if any, and interest on the Refunded Series 2014 Bonds. Moneys in the Escrow Fund not required for immediate disbursement for the purposes for which the Escrow Fund is created shall, at the direction of the Division, be invested by the Escrow Agent as permitted under the Escrow Agreement.

(d) If the Mayor and the President or the Secretary-Treasurer of the Division determine that the Debt Service Reserve Requirement for the Series 2020B Refunding Bonds will be greater than \$-0-, a Series 2020B Refunding Bonds Debt Service Reserve Subaccount (the "Reserve Subaccount") shall be established within the Debt Service Reserve Account of the Electric System Sinking Fund.

#### **SECTION 4.03      Disposition of Bond Proceeds.**

The proceeds of the sale of the Series 2020B Refunding Bonds shall be applied by the City and the Division as follows:

(a) all accrued interest, if any, shall be deposited to the Interest Subaccount to be used to pay interest on the Series 2020B Refunding Bonds on the first Interest Payment Date following delivery of the Series 2020B Refunding Bonds;

(b) for purposes of providing for the payment of the principal of, premium, if any, and interest on the Refunded Series 2014 Bonds, there shall be a deposit made by the Division into the Escrow Fund in an amount which, together with other available funds of the Division, if any, and investment earnings thereon, if any, will be sufficient to pay principal of, premium, if any, and interest on the Refunded Series 2014 Bonds to their redemption, maturity or payment dates, as applicable.

(c) such amounts as may be requested by the Secretary-Treasurer of the Division for the payment of the costs of issuance of the Series 2020B Refunding Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premium, if any, administrative and clerical costs, rating agency fees, Bond Registrar/Paying Agent fees, and other necessary miscellaneous expenses incurred in connection

with the issuance and sale of the Series 2020B Refunding Bonds, shall be applied for such purposes at the direction of the Division; and

(d) an amount equal to the Debt Service Reserve Requirement for the Series 2020B Refunding Bonds, if determined to be greater than \$-0-, shall be deposited in the Reserve Subaccount; and

**SECTION 4.04 Appointment of Escrow Agent; Escrow Agreement; Authorization of Purchase of Securities; Redemption of Refunded Series 2014 Bonds.**

(a) Regions Bank, Nashville, Tennessee, is hereby appointed initial Escrow Agent for the Series 2020B Refunding Bonds.

(b) For the purpose of providing for the payment of principal of and premium, if any, and interest on the Refunded Series 2014 Bonds, there is hereby authorized to be executed and delivered on behalf of the City and the Division an Escrow Agreement (the "Escrow Agreement") with the Escrow Agent to be used by the Escrow Agent to purchase the investments; provided, however, that the yield on such investments shall be determined in such manner that none of the Refunded Series 2014 Bonds will be an "arbitrage bond" within the meaning of Section 148(a) of the Code. The form of the Escrow Agreement attached hereto as Exhibit B is hereby in all respects approved, and the Mayor and the President or Secretary-Treasurer of the Division are hereby authorized to execute and the Comptroller to attest the Escrow Agreement on behalf of the City and the Division in substantially the form thereof, with such changes as may be approved by the Mayor and the President or Secretary-Treasurer of the Division, upon the advice of counsel (including the Division's General Counsel and Co-Bond Counsel) and the Division's Co-Financial Advisors, including the directions as to the investment and reinvestment of funds or directions to enter into such investment contracts as shall be advantageous to the City and the Division, the execution thereof by any of them to constitute conclusive evidence of the approval of all such changes. The Escrow Agent is hereby authorized and directed to hold and administer all funds deposited in trust for the payment, when due, of principal of and premium and interest on the Refunded Series 2014 Bonds and to exercise such duties as set forth in the Escrow Agreement.

(c) The President and Secretary-Treasurer of the Division, or either of them, are hereby authorized and directed to take all steps necessary to redeem the Refunded Series 2014 Bonds at their earliest possible redemption dates. Prior to the issuance of the Series 2020B Refunding Bonds, notice of the City's intention to advance refund the Refunded Series 2014 Bonds shall be given, at the direction of the President or Secretary-Treasurer of the Division, by the paying agent of the Refunded Series 2014 Bonds, via first-class mail to the respective registered owners of the Refunded Series 2014 Bonds. Such notice shall be substantially in the form required by applicable law. Notwithstanding the foregoing, a notice of refunding shall not be given for any Refunded Series 2014 Bond if, at or prior to the issuance of the Series 2020B Refunding Bonds, a notice of redemption shall have been given for said Refunded Series 2014 Bond. The President and Secretary-Treasurer of the Division, or either of them, are hereby authorized to give notice of redemption of the Refunded Series 2014 Bonds or to authorize delivery of notice of redemption of the Refunded Series 2014 Bonds in accordance with the Resolution.

**SECTION 4.05      Official Statement.**

The Mayor and the President or Secretary-Treasurer of the Division, or either of them, working with the Underwriter, are hereby authorized and directed to provide for the preparation and distribution, electronic or otherwise, of a Preliminary Official Statement describing the Series 2020B Refunding Bonds. After the Series 2020B Refunding Bonds have been sold, the Mayor and the President or Secretary-Treasurer of the Division, or either of them, shall cause to be made such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Ninth Supplemental Resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12 ("Rule 15c2-12") of the Securities and Exchange Commission (the "SEC"). The Mayor and the President or Secretary-Treasurer of the Division, or either of them, are hereby authorized to contract with the Underwriter to provide, within seven (7) business days after the day on which the Series 2020B Refunding Bonds have been sold to the Underwriter, copies of the Official Statement in sufficient quantity to allow the Underwriter to comply with Rule 15c2-12 and the rules of the SEC and the Municipal Securities Rulemaking Board ("MSRB"). Furthermore, the Mayor and the President or Secretary-Treasurer of the Division, or either of them, are hereby authorized to authorize the Underwriter, to the extent required by rules of the SEC or the MSRB, to file the Official Statement with the MSRB or its designee, including submission to the MSRB's Electronic Municipal Market Access system, within the timeframe required by Rule G-32 of the MSRB.

The Mayor and the President or Secretary-Treasurer of the Division, or either of them, are authorized, on behalf of the City, to deem the Preliminary Official Statement in final form, to be final as of its date within the meaning of Rule 15c2-12, except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12. The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the City except for the "permitted omissions" as such term is defined in Rule 15c2-12.

**ARTICLE V  
COVENANTS**

**SECTION 5.01      Tax Matters.**

(a) In the event that the Series 2020B Refunding Bonds are issued as Tax-Exempt Bonds, each of the City and the Division covenants that, in order to maintain the exclusion from gross income for Federal income tax purposes of the interest on the Series 2020B Refunding Bonds, each of the City and the Division will satisfy, or take such actions as are necessary to cause to be satisfied, each provision of the Code necessary to maintain such exclusion. In furtherance of this covenant, each of the City and the Division agrees to comply with such written instructions as may be provided by Co-Bond Counsel. In furtherance of the covenant contained in the preceding sentence, each of the City and the Division agrees to continually comply with the provisions of the "Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986," as amended from time to time, to be executed

by each of the City and the Division in connection with the execution and delivery of the Series 2020B Refunding Bonds.

(b) In the event that the Series 2020B Refunding Bonds are issued as Tax-Exempt Bonds, each of the City and the Division covenants that no part of the proceeds of the Series 2020B Refunding Bonds shall be used, directly or indirectly, to acquire any "investment property," as defined in section 148 of the Code, which would cause the Series 2020B Refunding Bonds to become "arbitrage bonds" within the meaning of section 148 of the Code or under applicable Treasury regulations promulgated thereunder. In order to assure compliance with the rebate requirement of section 148 of the Code, each of the City and the Division further covenants that it will pay or cause to be paid to the United States Treasury Department the amounts necessary to satisfy the requirements of section 148(f) of the Code, and that it will establish such accounting procedures as are necessary to adequately determine, account for and pay over any such amount or amounts required to be paid to the United States in a manner consistent with the requirements of section 148 of the Code, such covenant to survive the defeasance of the Series 2020B Refunding Bonds.

(c) Notwithstanding any other provision of the Resolution to the contrary, upon the City's or the Division's failure to observe, or refusal to comply with the covenants contained in this Section 5.01, neither the holders of the Bonds of any Series (other than the Series 2020B Refunding Bonds or the Paying Agent acting on their behalf) nor the Paying Agent acting on their behalf shall be entitled to exercise any right or remedy provided to such holders or the Paying Agent under the Resolution based upon the City's failure to observe, or refusal to comply with, the covenants contained in this Section 5.01.

(d) The Mayor and the President or Secretary-Treasurer of the Division, or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Series 2020B Refunding Bonds as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the City.

#### **SECTION 5.02 Continuing Disclosure.**

Each of the City and the Division hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 for the Series 2020B Refunding Bonds. The Mayor or the President or Secretary-Treasurer of the Division, or any of them, are authorized to execute at the closing of the sale of the Series 2020B Refunding Bonds an agreement for the benefit of and enforceable by the owners of the Series 2020B Refunding Bonds specifying the details of the financial information, operating data and material event notices to be provided and its obligations relating thereto. Failure of the City or the Division to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Series 2020B Refunding Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the City and the Division to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

#### **SECTION 5.03 Released Revenue Obligations; Accession of Subordinate Lien**

**Obligations to Senior Lien Status.**

For so long as any Series 2020B Refunding Bonds are Outstanding, each of the City and the Division hereby agrees that it shall not (a) cause a separable category or portion of revenues, income, receipts and money relating to a definable service, facility or program of the System to be withdrawn from General Revenues and thereafter treated as Released Revenues under Section 5.05 of the Master Resolution or (b) cause the accession of any Subordinate Lien Obligations to the status of complete parity with any Senior Lien Revenue Obligations under Section 5.06 of the Master Resolution.

**SECTION 5.04 Combined System.**

For so long as any Series 2020B Refunding Bonds are Outstanding, each of the City and the Division hereby agrees that it shall not combine any or all of the Division's utility systems into a single unified operation (the "Combined System") or commingle the revenues of the systems so combined in the Combined System under the last paragraph of Section 6.04 of the Master Resolution.

**ARTICLE VI  
MISCELLANEOUS**

**SECTION 6.01 Resolution a Contract.**

The provisions of the Resolution shall constitute a contract between the City and the registered owners of the Series 2020B Refunding Bonds, and after the issuance of the Series 2020B Refunding Bonds, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner except as provided in the Resolution.

**SECTION 6.02 Additional Authorizations.**

All acts and doings of the Mayor and Comptroller of the City, and the President and Secretary-Treasurer of the Division and any other officer of the City or the Division which are in conformity with the purposes and intent of this Ninth Supplemental Resolution and in furtherance of the issuance, sale, execution and delivery of the Series 2020B Refunding Bonds as set forth herein shall be and the same hereby are in all respects, approved and confirmed.

The Mayor and Comptroller of the City and the President and Secretary-Treasurer of the Division, and other officials, officers and agents of the City and the Division, together with the City's and the Division's financial advisors and Co-Bond Counsel, are hereby authorized, empowered and directed to prepare, execute, file and deliver such further instruments, certificates or other documents with respect to the Series 2020B Refunding Bonds, and to take such other and further action, as may be necessary or desirable to consummate the aforesaid issuance of the Series 2020B Refunding Bonds and to give full force and effect to the Resolution.

**SECTION 6.03 Severability.**

If any section, paragraph or provision of this Ninth Supplemental Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ninth Supplemental Resolution.

**SECTION 6.04 Conflicting Resolutions.**

Any and all ordinances or resolutions or parts of ordinances or resolutions, except the Master Resolution, in conflict with this Ninth Supplemental Resolution are to the extent of such conflict hereby repealed, and this Ninth Supplemental Resolution shall take immediate effect and shall be in full force and effect from and after its adoption.

**SECTION 6.05 Amendment of Resolution.**

This Ninth Supplemental Resolution may be amended in the same manner as provided for amendment of the Master Resolution.

**EXHIBIT A**  
**FORM OF BOND PURCHASE AGREEMENT**

**EXHIBIT B**  
**FORM OF ESCROW AGREEMENT**

**CITY OF MEMPHIS, TENNESSEE  
MEMPHIS LIGHT, GAS AND WATER DIVISION**

**§  
ELECTRIC SYSTEM REVENUE  
REFUNDING BONDS, SERIES 2020B  
(Federally Taxable)**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2020

The City of Memphis, Tennessee  
Memphis Light, Gas and Water Division  
220 South Main Street  
Memphis, Tennessee 38103

Ladies and Gentlemen:

Raymond James & Associates, Inc. (the "Representative"), for itself and on behalf of Duncan-Williams Inc., FHN Financial Capital Markets and Siebert Williams Shank & Co., LLC (collectively, the "Underwriters"), does hereby offer to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the City of Memphis, Tennessee (the "City"), and the Memphis Light, Gas and Water Division of the City of Memphis, Tennessee (the "Division"), which upon written acceptance hereof by the City and the Division will be binding upon the City, the Division and the Underwriters concerning the sale by the City and the purchase by the Underwriters of \$ \_\_\_\_\_ aggregate principal amount of the City's Electric System Revenue Refunding Bonds, Series 2020B (Federally Taxable) (the "Series 2020B Electric System Refunding Bonds"), maturing and bearing interest at the rates set forth in **EXHIBIT A** attached hereto. This offer is made subject to the written acceptance by the City and the Division on or before 5:00 p.m., Central Daylight Time, on the date hereof. If this offer is not accepted, it is subject to withdrawal by the Representative upon written notice delivered to the City and the Division at any time prior to acceptance. The City and the Division understand and acknowledge that the Underwriters, in their capacity as the purchasers and underwriters of the Series 2020B Electric System Refunding Bonds under this Purchase Agreement, are acting as principals and not as agents or fiduciaries and the purchase of the Series 2020B Electric System Refunding Bonds by the Underwriters pursuant to this Purchase Agreement is as independent contractors and not in any other capacity. Furthermore, the City and the Division agree that each entity is solely responsible for making its own judgments in connection with the purchase and sale of the Series 2020B Electric System Refunding Bonds pursuant to this Purchase Agreement irrespective of whether the Underwriters have advised or are currently advising the City or the Division on related or other matters. Capitalized terms used but not defined herein shall have the meanings set forth in the hereinafter defined Electric System Resolution.

**SECTION 1. Purpose of Financing, Security and Authorization.** The proceeds of the Series 2020B Electric System Refunding Bonds will be used to advance refund on a federally

taxable basis, all or a part of the Outstanding Series 2014 Electric System Revenue Bonds, Series 2014 (the "Refunded Series 2014 Bonds") and to pay certain costs of issuance with respect to the Series 2020B Electric System Refunding Bonds. The Series 2020B Electric System Refunding Bonds are being issued pursuant to Chapter 34, Title 7, Tennessee Code Annotated, as amended (the "Revenue Bond Law"), the Charter of the City (the "City Charter") and the Electric System Revenue Obligations Master Resolution adopted by the Board of Light, Gas and Water Commissioners (the "Board") of the Division on June 20, 2002, and by the City Council (the "City Council") of the City on July 2, 2002, and as previously amended and supplemented (the "Master Electric System Resolution") and particularly as supplemented in respect of the Series 2020B Electric System Bonds by that certain Ninth Supplemental Resolution (the "Ninth Supplemental Resolution") adopted by the Board of the Division on [\_\_\_\_\_, 2020], and by the City Council on [\_\_\_\_\_, 2020], under which Regions Bank, Nashville, Tennessee, is appointed the bond registrar and paying agent (the "Paying Agent") for the Series 2020B Electric System Refunding Bonds. The Master Electric System Resolution, as particularly supplemented by the Ninth Supplemental Resolution, is hereinafter referred to as the "Electric System Resolution". The Series 2020B Electric System Refunding Bonds are being issued as General Revenue Obligations under the Electric System Resolution and, as such, are limited obligations of the City payable solely from and secured by a pledge of the Pledged Revenues, which is on a parity and equality of lien with respect to the Pledged Revenues with any additional Senior Lien Obligations hereafter issued thereunder and such lien is senior in lien and right of payment to any Outstanding Subordinate Lien Obligations (as defined in the Official Statement) or any Subordinate Lien Obligations issued under the Master Electric System Resolution in the future.

**SECTION 2. Liquidated Damages.** If the City and the Division accepts this offer and if the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Series 2020 Electric System Refunding Bonds upon tender thereof by the City at the Closing as herein provided, or if the City is unable to satisfy the conditions precedent to the issuance of the Series 2020B Electric System Refunding Bonds by reason of the failure of the Underwriters to comply with the requirements of this Purchase Agreement as set forth herein, the parties hereby agree that the damages to the City and Division shall be fixed at one percent (1%) of the aggregate principal amount of the Series 2020B Electric System Refunding Bonds, and, upon such failure of the Underwriters to accept and pay for the Series 2020B Electric System Refunding Bonds, the Underwriters shall be obligated to pay to the City such amount as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters. Upon such payment, the obligations of the City to pay fees and expenses of the Underwriters pursuant to Section 11 herein shall be fully released and discharged and the Underwriters shall be fully released and discharged of all claims, rights and damages for such failure and for any and all such defaults. In no event shall the City be entitled to damages of any nature other than the liquidated damages herein specified.

**SECTION 3. The Representative and the Underwriters.** Any authority, discretion or other power conferred upon the Underwriters under any provision of this Purchase Agreement may be exercised by the Representative. The payment for, acceptance of, delivery and execution of any receipt for the Series 2020B Electric System Refunding Bonds and any other instruments upon or in connection with the Closing (hereinafter defined) by the Representative on behalf of the Underwriters shall be valid and sufficient for all purposes and binding upon the Underwriters,

provided that such action by the Underwriters shall not impose any obligation or liability upon any Underwriters other than as may arise as expressly set forth in this Purchase Agreement.

**SECTION 4. Representations and Warranties of the City and the Division.** The City and the Division make the following representations and warranties, as of the date hereof, and it shall be a condition of the obligation of the Underwriters to purchase and accept delivery of the Series 2020B Electric System Refunding Bonds at the Closing (hereinafter defined) that the City shall make the following representations and warranties as of the Closing Date (hereinafter defined).

(a) The Preliminary Official Statement (hereinafter defined) was, with respect to information regarding the City and the Division, as of its date, other than as modified by the Official Statement (hereinafter defined), and the Official Statement is as of the date of this Purchase Agreement, and at all times subsequent thereto up to and including the Closing Date will be, with respect to information regarding the City and the Division, true and correct in all material respects and did not, does not and will not at any such time contain any untrue or misleading statement of a material fact and did not, does not and will not at any such time omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. Any amendments or supplements to the Official Statement, with respect to information regarding the City or the Division, will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) The City is a municipal corporation duly created and existing under the Constitution and the laws of the State of Tennessee (the "State"), pursuant to Chapters 1-3 of Title 7 of the Tennessee Code Annotated, as amended and supplemented (the "Act"), and duly organized and validly existing under the City Charter, which City Charter has been validly adopted.

(c) The Division was created as a division of the City by an amendment to the City Charter by Chapter 381 of the Private Acts of the General Assembly of Tennessee adopted March 9, 1939, as amended (the "Private Act"). The Division has and, at the time of the Closing, will have full legal right, power and authority under the City Charter and the Private Act to operate the System.

(d) The City has and, at the time of the Closing, will have full legal right, power and authority under the laws of the State, the City Charter, the Revenue Bond Law and the Electric System Resolution to: (i) adopt the Electric System Resolution; (ii) enter into this Purchase Agreement, the Continuing Disclosure Certificate of the City relating to the Series 2020B Electric System Refunding Bonds in substantially the form attached to the Official Statement (the "Disclosure Certificate") and all other agreements entered into or to be entered into by the City, as contemplated in the Electric System Resolution; (iii) secure the Series 2020B Electric System Refunding Bonds in the manner contemplated in the Electric System Resolution; and (iv) carry out and consummate all the transactions contemplated for the City by this Purchase Agreement, the Electric System Resolution, the Disclosure Certificate and the Official Statement. The City has complied and, at the Closing, will be in compliance in all material respects with the terms of

the City Charter, the Revenue Bond Law and the Electric System Resolution, as they pertain to such transactions.

(e) The Division has and, at the time of the Closing, will have full legal right, power and authority under the laws of the State, the City Charter, the Private Act, the Revenue Bond Law and the Electric System Resolution to: (i) adopt the Electric System Resolution; (ii) enter into this Purchase Agreement, the Disclosure Certificate, the Paying Agent Agreement and all other agreements entered into or to be entered into by the Division, as contemplated in the Electric System Resolution; and (iii) carry out and consummate all the transactions contemplated for the Division by this Purchase Agreement, the Disclosure Certificate, the Paying Agent Agreement, the Electric System Resolution and the Official Statement. The Division has complied and, at the Closing, will be in compliance in all material respects with the terms of the City Charter, the Private Act and the Electric System Resolution, as they pertain to such transactions.

(f) By all necessary official action of the City and the Division, respectively, prior to or concurrently with the acceptance hereof, the City and the Division have duly: (i) adopted the Electric System Resolution; (ii) authorized the execution, delivery and performance of this Purchase Agreement, the Series 2020B Electric System Refunding Bonds, the Disclosure Certificate, the Paying Agent Agreement and the Electric System Resolution, as applicable; (iii) authorized or ratified the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement and any and all amendments and supplements thereto; and (iv) authorized the taking of any and all such actions as may be required on the part of the City and the Division to carry out, give effect to and consummate the transactions contemplated by the aforesaid instruments.

(g) The Electric System Resolution, the Disclosure Certificate, the Paying Agent Agreement and this Purchase Agreement constitute, when delivered, assuming due authorization, execution and delivery by the other parties thereto, the legal, valid and binding obligations of the City and the Division, as applicable, and the same are enforceable in accordance with their terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws and principles of equity affecting creditors' rights generally or as to the availability of any particular remedy. As such, the Electric System Resolution will constitute, for the benefit of the holders from time to time of the Series 2020B Electric System Refunding Bonds, the legally valid and binding pledge of and lien on the Pledged Revenues, subject to the provisions thereof.

(h) When delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Purchase Agreement, the Series 2020B Electric System Refunding Bonds will be duly authorized, executed, issued and delivered and will constitute legal, valid and binding limited obligations of the City enforceable in accordance with their terms and the terms of the Electric System Resolution, subject to bankruptcy, insolvency, moratorium, reorganization or other laws and principles of equity affecting creditors' rights generally. The Series 2020B Electric System Refunding Bonds are special limited obligations of the City secured solely by an assignment and pledge of the Pledged Revenues.

(i) At the Closing, all approvals, consents and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Series 2020B Electric System Refunding Bonds or the execution and delivery of or the performance by the City or the Division of their respective obligations under this Purchase Agreement, the Series 2020B Electric System Refunding Bonds or the Electric System Resolution will have been obtained or made and any consents, approvals and orders so received or filings so made will be in full force and effect. Notwithstanding anything to the contrary, no representation is made concerning compliance with the applicable securities or Blue-Sky laws of the various states.

(j) The adoption by the City and the Division, respectively, of the Electric System Resolution, the authorization, execution, delivery and performance of this Purchase Agreement, the Series 2020B Electric System Refunding Bonds, the Disclosure Certificate and any other agreement or instrument to which the City or the Division, respectively, is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby or by the Electric System Resolution or the Official Statement and compliance with the provisions of each such agreement or instrument, do not and will not conflict with, or constitute or result in a violation or breach of or a default under, the Constitution of the State or any existing law, administrative regulation, rule, decree or order, state or federal, or material provision of any agreement, indenture, mortgage, lease, note or other instrument to which the City or any assets or properties of the System is subject and do not and will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the taxes, revenues, property or assets of the City under the terms of the Constitution of the State or any law, instrument or agreement.

(k) The City is not in breach of or default in any material respect under the Act, the Revenue Bond Law, the Private Act, the City Charter or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City is, or any of the properties or assets of the Electric System are, otherwise subject, which such breach or default could in any way, materially adversely affect the ability of the City to issue the Series 2020B Electric System Refunding Bonds, secure the payment of the Series 2020B Electric System Refunding Bonds or enter into any of the agreements or instruments, or consummate any of the transactions, contemplated in this Purchase Agreement, the Electric System Resolution or the Official Statement. No event has occurred and is continuing which constitutes or, with the passage of time or the giving of notice or both, would constitute a default or an event of default by the City under any agreement or instrument to which the City is a party, which such default or event of default could, in any way, materially adversely affect the issuance of or security for the Series 2020B Electric System Refunding Bonds.

(l) The Power Contract (as such term is defined in the Official Statement) is in full force and effect, without amendment, modification or supplement in any material respect, except to the extent agreed upon by the Representative.

(m) The Division is not in breach of or default in any material respect under the Act, the Private Act, the City Charter, the Revenue Bond Law or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Division is a party or to which the Division is, or any of the properties or assets of the System are, otherwise subject, which such breach or default could in any way, materially adversely affect the ability of the City to issue the Series 2020B Electric System Refunding Bonds, secure the payment of the Series 2020B Electric System Refunding Bonds, or enter into any of the agreements or instruments, or consummate any of the transactions, contemplated in this Purchase Agreement, the Electric System Resolution or the Official Statement. No event has occurred and is continuing which constitutes or, with the passage of time or the giving of notice or both, would constitute a default or an event of default by the Division under the Power Contract, the 2003 Supplemental Contract or any agreement or instrument to which the Division is a party, which such default or event of default could, in any way, materially adversely affect the issuance of or security for the Series 2020B Electric System Refunding Bonds.

(n) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, other than as may be described in the Official Statement, pending or, to the best knowledge of the City, threatened, against or affecting the City or any of the officers of the City in their respective capacities as such (or, to the best knowledge of the City, any basis therefor) wherein an unfavorable decision, ruling or finding would in any way materially adversely affect (i) the issuance, sale or delivery of the Series 2020B Electric System Refunding Bonds or any of the other transactions contemplated by this Purchase Agreement, the Electric System Resolution or the Official Statement, (ii) the validity or enforceability of the Series 2020B Electric System Refunding Bonds, the Electric System Resolution, this Purchase Agreement, the Disclosure Certificate, the Paying Agent Agreement or any other agreement or instrument to which the City is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby, or (iii) the collection of the Pledged Revenues or the pledge of or lien on the Pledged Revenues for the payment and security payment of the Series 2020B Electric System Refunding Bonds or otherwise pursuant to the Electric System Resolution.

(o) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, other than as may be described in the Official Statement, pending or, to the best knowledge of the Division, threatened, against or affecting the Division or any of the officers of the Division in their respective capacities as such (or, to the best knowledge of the Division, any basis therefor) wherein an unfavorable decision, ruling or finding would in any way materially adversely affect (i) the issuance, sale or delivery of the Series 2020B Electric System Refunding Bonds or any of the other transactions contemplated by this Purchase Agreement, the Electric System Resolution or the Official Statement, (ii) the validity or enforceability of the Series 2020B Electric System Refunding Bonds, the Electric System Resolution, this Purchase Agreement, the Disclosure Certificate, the Paying Agent Agreement or any other agreement or instrument to which the Division is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby, (iii) the collection of the Pledged Revenues or the pledge of or lien on the Pledged Revenues for the

payment and security payment of the Series 2020B Electric System Refunding Bonds or otherwise pursuant to the Electric System Resolution.

(p) Reserved.

(q) Neither the City nor the Division has entered, nor will they enter, into any contract or arrangement of any kind which might give rise to any lien or encumbrance on any of the Pledged Revenues or any other assets, properties, funds or interests of the City or the Division pledged or made available under the Electric System Resolution for payment of the principal of, premium, if any, or interest on the Series 2020B Electric System Refunding Bonds that is superior to or on a parity with the lien of the Series 2020B Electric System Refunding Bonds, except in accordance with the provisions of the Electric System Resolution. Nothing herein shall be deemed to apply to the City's general obligation bonds and notes heretofore issued and which may hereafter continue to be issued.

(r) All actions or authorizations incident to or necessary to permit the City and the Division to receive, assign, pledge and use the Pledged Revenues in accordance with, and as provided in, the Electric System Resolution have been taken or authorized to be taken, as the case may be.

(s) Any certificate signed by any official of the City or the Division and delivered to the Representative or the Underwriters in connection with the issuance or sale of the Series 2020B Electric System Refunding Bonds shall be deemed to be a representation and warranty by the City or the Division, as the case may be, to the Underwriters as to the statements made therein.

(t) As disclosed in the Preliminary Official Statement and the Official Statement, the City previously committed to continuing disclosure undertakings with respect to bonds issued by the City and other issuers. During the last five years, due to administrative oversight and the unavailability, on a timely basis, of certain audited financial information, the City failed to timely file its annual continuing disclosure filings in several instances with respect to such bonds.

(u) Other than the Outstanding Electric System Revenue Bonds, Series 2014, the Electric System Revenue Bonds, Series 2016 and the Electric System Revenue Bonds, Series 2017, there are currently no Outstanding Series Revenue Obligations payable from the General Revenues of the Electric System.

The representations and warranties set forth in this Purchase Agreement shall survive the Closing and shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriters and (ii) payment for the Series 2020B Electric System Refunding Bonds.

#### **SECTION 5. Official Statement: Offering by the Underwriters.**

(a) The City hereby authorizes the distribution by the Underwriters of the Official Statement in connection with the public offering and sale of the Series 2020B Electric System Refunding Bonds. The Preliminary Official Statement will be "deemed final" by the City and the

Division for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC") promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12. The City shall provide, or cause to be provided, to the Representative a final official statement relating to the Series 2020B Electric System Refunding Bonds dated the date hereof (including the cover page and all appendices, exhibits and reports attached thereto, the "Official Statement") and shall cause copies of the Official Statement, in a quantity specified by the Representative as sufficient to enable the Underwriters to comply with applicable rules of the SEC (including Rule 15c2-12) and the Municipal Securities Rulemaking Board (the "MSRB"), to be available to the Underwriters within seven (7) business days of the execution of this Purchase Agreement (but in no event later than two (2) business days before the Closing Date) and in sufficient time to accompany any confirmation that requests payment from any customer of any of the Underwriters. To the extent required by rules of the SEC or the MSRB, the City hereby authorizes the Representative to file, and the Representative hereby agrees to file, the Official Statement with the MSRB or its designee, including submission to the MSRB's Electronic Municipal Market Access system (together with any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and information, "EMMA"), within the timeframe required by Rule G-32 of the MSRB. Such Official Statement shall be delivered in the currently required designated format stated in MSRB Rule G-32 and the EMMA Dataport Manual (as hereinafter defined). "EMMA Dataport Manual" means the document(s) designated as such and published by the MSRB from time to time that sets forth the processes and procedures with respect to submissions to be made to the primary market disclosure service of EMMA by underwriters under MSRB Rule G-32. Failure of the printer to provide copies of the Official Statement within seven (7) business days after the execution of this Purchase Agreement by the City and the Division will not constitute a breach of this Purchase Agreement by the City or the Division if such failure is proximately caused by the Underwriters or an agent or representative of the Underwriters.

(b) The City authorizes, consents to and ratifies the use by the Underwriters of the Preliminary Official Statement dated [\_\_\_\_\_, 2020], relating to the Series 2020B Electric System Refunding Bonds (such Preliminary Official Statement, including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto and any amendments and supplements thereto that may be authorized by the City for use with respect to the Series 2020B Electric System Refunding Bonds, being herein called the "Preliminary Official Statement") for the purposes of marketing the Series 2020B Electric System Refunding Bonds in connection with the original public offer, sale and distribution of the Series 2020B Electric System Refunding Bonds by the Underwriters.

(c) The Underwriters agree to make a bona fide initial public offering of all of the Series 2020B Electric System Refunding Bonds in conformance with all applicable rules of the MSRB at the initial offering prices or yields set forth in the Official Statement, but reserve the right to change such prices or yields as they may deem necessary or desirable in connection with the offering and sale of the Series 2020B Electric System Refunding Bonds and to sell the Series 2020B Electric System Refunding Bonds to dealers (including dealer banks and dealers depositing Series 2020B Electric System Refunding Bonds into investment trusts) and others at prices lower than the public offering prices as described herein. The Underwriters also reserve the right to: (i)

over-allot or effect transactions which stabilize or maintain the market price of the Series 2020B Electric System Refunding Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

(d) The City and the Division shall take all actions as the City or the Division shall determine reasonable to: (i) provide all information reasonably requested by the Representative necessary or desirable to register the Series 2020B Electric System Refunding Bonds under, or comply with, any state Blue-Sky laws, provided that in connection therewith neither the City nor the Division shall be required to file a general or special consent to service of process in any jurisdiction, spend any money, qualify to do business in any jurisdiction or register as a dealer or broker in any jurisdiction; and (ii) ensure that the Preliminary Official Statement and the Official Statement at all times during the initial offering and distribution of the Series 2020B Electric System Refunding Bonds do not contain any untrue statement of a material fact and do not omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) From the date hereof until the date which is twenty-five (25) days following the "end of the underwriting period", if any event shall occur that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City and the Division (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative and (ii) shall notify the Representative promptly if any event shall occur, or information comes to the attention of the City or the Division, that it is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City shall prepare and furnish to the Representative, at the City's expense such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the City and the Representative, as the Representative may reasonably request. If such notification shall be given subsequent to the Closing Date, the City also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents the Representative may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement. Any such amendments or supplements that may be authorized under the foregoing provision for use with respect to the Series 2020B Electric System Refunding Bonds are hereinafter included within the term "Official Statement."

Unless the Representative otherwise notifies the City in writing, the Underwriters agree that "end of the underwriting period" is used as defined in Rule 15c2-12 and shall occur on the later of (i) the Closing Date or (ii) when the Underwriters no longer retain an unsold balance of the Series 2020B Electric System Refunding Bonds; unless otherwise advised in writing by the Representative on or prior to the Closing Date, or otherwise agreed to by the City and the Representative, the City may assume that the end of the underwriting period is the Closing Date. The Representative shall, at its own expense, submit the Official Statement to EMMA within the

timeframe required by Rule G-32 of the MSRB. The Representative will comply with the provisions of MSRB Rule G-32 as in effect on the date hereof, including without limitation with respect to the submission of Form G-32 and the Official Statement, and will notify the City of the date on which the Official Statement has been filed with EMMA.

(f) If the Official Statement is supplemented or amended pursuant to subsection (e) of this Section 5, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the date of Closing, the City and the Division will take all steps necessary to ensure that the Official Statement, as supplemented or amended, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(g) The Preliminary Official Statement and the Official Statement may be delivered in printed or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed upon by the City or the Division and the Underwriters. If the Preliminary Official Statement or the Official Statement is prepared for distribution in electronic form, the City and the Division hereby confirm that it does not object to distribution of the Preliminary Official Statement or the Official Statement in electronic form.

#### **SECTION 6. Reserved.**

**SECTION 7. Issuance, Sale and Purchase of Series the 2020 Electric System Refunding Bonds.** On the basis of the representations and warranties contained herein and the other agreements referred to herein and subject to the terms and conditions set forth herein, the City agrees to issue and sell to the Underwriters and the Underwriters agree to purchase from the City all (but not less than all) of the Series 2020B Electric System Bonds at an aggregate price of [\$\_\_\_\_\_], which represents the par amount of the Series 2020B Electric System Refunding Bonds of [\$\_\_\_\_\_], [ plus a bond premium in the amount of \$ \_\_\_\_\_ ], less an underwriting discount of [\$\_\_\_\_\_].

Having approved the terms of such issuance and sale, the City hereby agrees to sell the Series 2020B Electric System Refunding Bonds to the Underwriters, subject to the terms of this Purchase Agreement. The delivery and sale of the Series 2020B Electric System Refunding Bonds (the "Closing") will be at such place in Memphis, Tennessee, as the City or the Division may designate, by 1:00 p.m., Central Daylight Time, on [September \_\_\_\_, 2020], or at such other time or such other place or on such other date as the City and the Representative may agree (the "Closing Date"). On the Closing Date, (i) the City will deliver the Series 2020B Electric System Refunding Bonds to the Underwriters, in definitive form and duly executed through the FAST system of registration with The Depository Trust Company, New York, New York ("DTC"), at such place in Memphis, Tennessee, as the Representative may designate or at such other place as the City and the Representative may agree upon, (ii) the City will deliver to the Representative in Memphis, Tennessee, the closing documents referenced in Section 8 hereof, and (iii) the Underwriters will accept such delivery and pay the aggregate purchase price as set forth in this Section 7 by wire transfer to the Division, on behalf of the City, of immediately available federal funds, subject to the provisions of Section 8 hereof.

A single typewritten bond for each maturity of each series of the Series 2020B Electric System Refunding Bonds shall be delivered by the City, duly executed and authenticated, with CUSIP identification numbers thereon, registered in the name of Cede & Co., as nominee of DTC.

**SECTION 8. Conditions.** The Underwriters' obligations hereunder are subject to:

(a) The accuracy on the Closing Date, as if made as of such date, of all representations and warranties of the City and the Division contained in this Purchase Agreement, the Electric System Resolutions, the Preliminary Official Statement and the Official Statement;

(b) The due performance by the City and the Division of their obligations hereunder and under the Electric System Resolution;

(c) [At the time of the Closing, the Electric System Resolution and the Power Contract being in full force and effect, without amendment, modification or supplement except to the extent agreed upon by the Representative];

(d) All official action of the City relating to this Purchase Agreement, the Series 2020B Electric System Refunding Bonds, the Disclosure Certificate and the Electric System Resolution being, at the time of the Closing, in full force and effect, without amendment, modification or supplement except to the extent agreed upon by the Representative;

(e) The delivery of the Bond Series Certificate with respect to the Series 2020B Electric System Refunding Bonds required under the Seventh Supplemental Resolution setting forth terms of the Series 2020B Electric System Refunding Bonds which are not inconsistent with this Purchase Agreement;

(f) There being no material change in the condition (financial or otherwise) of the City or the Division between the most recent dates for which information is given in the Official Statement and the Closing Date, other than as reflected in or contemplated by the Official Statement, and there being on the Closing Date no material transactions or obligations (not in the ordinary course of business) entered into by the City or the Division subsequent to the date of the Official Statement other than as reflected in or contemplated by the Official Statement; and

(g) Delivery of all documentation required by Section 9 hereof.

**SECTION 9. Closing Documentation.** There shall be delivered to the Underwriters at Closing the following, in form and substance reasonably satisfactory to: the Representative; Butler Snow, LLP, Memphis, Tennessee, and The Wade Law Firm, PLLC, Memphis, Tennessee, as co-bond counsel (together, "Co-Bond Counsel"); and Carpenter Law, PLLC, Memphis, Tennessee ("Underwriters' Counsel"):

(a) The Official Statement executed on behalf of the City by the duly authorized officials or representatives thereof;

- (b) A certificate of the Division regarding this Purchase Agreement;
- (c) A certificate of the City regarding this Purchase Agreement;
- (d) A certificate from the City and the Division with respect to arbitrage and other tax matters in a form acceptable to Co-Bond Counsel;
- (e) Certified copies of the Master Electric Resolution and the Ninth Supplemental Resolution;
- (f) A specimen Series 2020B Electric System Refunding Bond;
- (g) The unqualified approving opinion of Co-Bond Counsel, in substantially the form thereof set forth in the Official Statement, either addressed to the Underwriters or accompanied by a letter from Co-Bond Counsel to the Underwriters stating that the Underwriters may rely upon such opinion;
- (h) The supplemental opinion of Co-Bond Counsel, addressed to the Representative, in substantially the form attached as **EXHIBIT B** hereto;
- (i) The opinion of the Chief Legal Counsel/City Attorney, addressed to the Underwriters, in substantially the form attached as **EXHIBIT C** hereto;
- (j) The opinion of General Counsel to the Division, addressed to the Underwriters, in substantially the form attached as **EXHIBIT D** hereto;
- (k) The opinion of Underwriters' Counsel in substantially the form attached as **EXHIBIT E** hereto;
- (l) Verification that the Division's Blanket Letter of Representation to the Depository Trust Company is in effect with respect to the Series 2020B Electric System Refunding Bonds;
- (m) Report of \_\_\_\_\_, as verification agent (the "Verification Agent") as to the sufficiency of the Escrow, in a form reasonably satisfactory to the Underwriters;
- (n) Written evidence that Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P"), have assigned ratings of at least ["\_\_\_\_"] and ["\_\_\_\_"], respectively, to the Series 2020B Electric System Refunding Bonds;
- (o) A fully executed copy of the Disclosure Certificate; and
- (p) Such additional legal opinions, certificates, proceedings, instruments and other documents the Underwriters, Underwriters' Counsel or Bond Counsel may reasonably request to evidence compliance by the City and the Division with applicable legal requirements.

**SECTION 10. Termination.** The Representative may terminate this Purchase Agreement at any time prior to the Closing Date by notice to the other parties hereto if, between the date hereof and the Closing Date:

(a) Reserved.

(b) Any legislation, rule or regulation shall be introduced in, or be enacted by any department or agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the reasonable opinion of the Underwriters, materially adversely affects the market for the Series 2020B Electric System Refunding Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2020B Electric System Refunding Bonds to be purchased by the Underwriters.

(c) Any event shall have occurred or condition shall exist that, in the reasonable opinion of the Underwriter, makes untrue or incorrect in any material respect as of the Closing Date any material statement of information contained in the Official Statement or that is not reflected in the Official Statement but should be reflected therein as of such time in connection with the offering and sale of the Series 2020B Electric System Refunding Bonds in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading in any material respect as of such time including, without limitation, events or conditions relating to the business and affairs of the City; or

(d) There shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, financial or otherwise, affecting the effective operation of the government of, or the financial community in, the United States, including a general suspension of trading on any national securities exchange, which materially adversely affects the market for the Series 2020B Electric System Refunding Bonds or the sale of the Series 2020B Electric System Refunding Bonds, at the contemplated offering prices, by the Underwriters, in the reasonable opinion of the Underwriters.

(e) The marketability of the Series 2020B Electric System Refunding Bonds, the market price thereof or the sale of the Series 2020B Electric System Refunding Bonds at the contemplated offering prices, in the reasonable opinion of the Underwriters, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets, making it impracticable for the Underwriters to market the Series 2020B Electric System Refunding Bonds or to enforce contracts for the sale of the Series 2020B Electric System Refunding Bonds (it being agreed by the parties hereto that no such event, occurrence or condition exists as of the date hereof).

(f) A general banking moratorium shall have been declared by the United States, New York or State authorities which in the reasonable opinion of the Underwriters, materially adversely affects the market for the Series 2020B Electric System Refunding Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2020B Electric System Refunding Bonds to be purchased by the Underwriters.

(g) Any national securities exchange, or any governmental authority, shall impose, as to the Series 2020B Electric System Refunding Bonds or obligations of the general character of the Series 2020B Electric System Refunding Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters.

(h) There shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to the Series 2020B Electric System Refunding Bonds or to any of the Electric Division's obligations, which, in the reasonable opinion of the Underwriters, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2020B Electric System Refunding Bonds to be purchased by the Underwriters; or any proceeding shall be pending or threatened by the Securities and Exchange Commission against the City.

(i) Any stop order or legislation shall have been enacted or a bill shall have been reported out of a legislative committee, any decision by a court of the United States shall have been rendered or any stop order, ruling, regulation or official statement by or on behalf of the SEC or other governmental agency shall have been made to the effect that (i) obligations of the general character of the Series 2020B Electric System Refunding Bonds or the Series 2020B Electric System Refunding Bond Resolution, in the reasonable opinion of counsel to the Underwriters, are not exempt from registration, qualification or other requirements of the Securities Act of 1933, as amended (the "Securities Act"), or the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or (ii) the issuance, offering or sale of the Series 2020B Electric System Refunding Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Series 2020B Electric System Refunding Bonds, is or would be in violation of any provision of the federal securities laws on the Closing Date, including the Securities Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the Trust Indenture Act; or

(j) Any litigation (not already disclosed) shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2020B Electric System Refunding Bonds or in any way contesting or questioning any authority for or the validity of the Series 2020B Electric System Refunding Bonds or the money or revenues pledged to the payment thereof or the Series 2020B Electric System Refunding Bonds Resolution or any of the proceedings of the City or the Division taken with respect to the issuance and sale thereof.

#### **SECTION 11. Expenses.**

(a) The City shall pay, or cause to be paid, all expenses and costs of the City and the Division incident to the performance of their obligations in connection with the authorization, issuance and sale of the Series 2020B Electric System Refunding Bonds to the Underwriters, including but not limited to the costs of pre-sale advertising of the Series 2020B Electric System Refunding Bonds; printing or reproducing the Preliminary Official Statement, the Official Statement, the Electric System Resolution and all ancillary papers; fees and expenses of consultants, including the fees and expenses of Co-Bond Counsel, Stephens Inc. and ComCap

Partners, co-municipal advisors to the Division, the independent accountants of the Division, rating agencies, the Paying Agent, the Underwriters, Underwriters' Counsel and any other engineers, accountants, experts, consultants or advisors retained by the City or the Division.

(b) The Underwriters shall pay all advertising expenses in connection with the public offering of the Series 2020B Electric System Refunding Bonds.

(c) If this Purchase Agreement shall be terminated by the Underwriters because of any failure or refusal on the part of the City or the Division to comply with the terms or to fulfill any of the conditions hereof or if, for any reason, the City or the Division shall be unable to perform its obligations under this Purchase Agreement, the City or the Division shall reimburse the Underwriters for all out-of-pocket expenses reasonably incurred by the Underwriters in connection with this Purchase Agreement or the offering contemplated hereunder.

**SECTION 12. Finders.** The City, the Division and the Underwriters each represents and warrants that no finder or other agent has been employed or consulted by it in connection with this transaction.

**SECTION 13. No Fiduciary Duty Provisions.** The City and the Division acknowledge and agree that: (i) the purchase and sale of the Series 2020B Electric System Refunding Bonds pursuant to this Purchase Agreement is an arm's length commercial transaction among the City, the Division and the Underwriters; (ii) in connection with such transaction, including the process leading thereto, each of the Underwriters is acting solely as a principal and not as an agent or a fiduciary of the City or the Division; (iii) the Underwriters have neither assumed an advisory or fiduciary responsibility in favor of the City or the Division with respect to the offering of the Series 2020B Electric System Refunding Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of the Underwriters, have advised or is currently advising the City or the Division on other matters) nor has it assumed any other obligation to the City or the Division except the obligations expressly set forth in this Purchase Agreement; (iv) the Underwriters have financial and other interests that differ from those of the City or the Division; and (v) the City or the Division have consulted with its own legal and financial advisors to the extent they deemed appropriate in connection with the offering of the Series 2020B Electric System Refunding Bonds.

**SECTION 14. Notices.** Any notice or other communication under this Purchase Agreement may be given by delivering the same in writing to the City, at the address of the City set forth above to, the attention of Shirley Ford, Chief Financial Officer, 125 North Main Street, Room 368, Memphis, Tennessee 38103; to the Division at the address of the Division set forth above, to the attention of Dana Jeanes, Senior Vice-President, Chief Financial Officer, Chief Administrative Officer and Secretary-Treasurer; and to the Underwriters as follows: Raymond James & Associates, Inc., 50 North Front Street, 16<sup>th</sup> Floor, Memphis, Tennessee 38103 (Attention: Mr. Chad Myers, Senior Vice-President).

**SECTION 15. Governing Law.** This Purchase Agreement shall be governed by the applicable laws of the State of Tennessee.

**SECTION 16. Counterparts.** This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

**SECTION 17. Effective Date and Time.** This Purchase Agreement shall become effective upon the date and time of acceptance hereof by the City and the Division.

**SECTION 18. Severability.** If any provision of this Purchase Agreement shall be held or deemed to be, or shall in fact be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Purchase Agreement invalid, inoperative or unenforceable to any extent whatsoever.

**SECTION 19. Miscellaneous.** This Purchase Agreement is made solely for the benefit of, and is binding on each of, the parties and their respective successors and assigns. No party to this Purchase Agreement may assign its interest herein. This Purchase Agreement is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by all of the parties hereto.

*[Signatures on Following Page]*

*[Signature Page to the Bond Purchase Agreement]*

**(Memphis Light, Gas and Water Division  
Electric System Revenue Refunding Bonds, Series 2020B)**

**RAYMOND JAMES & ASSOCIATES, INC., as  
Representative of the Underwriters**

By: \_\_\_\_\_  
**Chad Myers  
Senior Vice-President**

Accepted:

**CITY OF MEMPHIS, TENNESSEE**

By: \_\_\_\_\_  
**Jim Strickland  
Mayor**

Acknowledged:

**MEMPHIS LIGHT, GAS AND WATER DIVISION,  
on behalf of the City of Memphis, Tennessee**

By: \_\_\_\_\_  
**Jarl T. Young  
President and Chief Executive Officer**

**EXHIBIT A**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,  
PRICES, YIELDS**

**\$ \_\_\_\_\_  
ELECTRIC SYSTEM REVENUE  
REFUNDING BONDS, SERIES 2020B  
(Federally Taxable)**

<b><u>Maturity</u></b> <b><u>(December 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Price</u></b>	<b><u>Yield</u></b>
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**EXHIBIT B**

[FORM OF SUPPLEMENTAL OPINION OF CO-BOND COUNSEL]

**EXHIBIT C**

[FORM OF OPINION OF CHIEF LEGAL COUNSEL TO THE CITY]

**EXHIBIT D**

[FORM OF OPINION OF GENERAL COUNSEL TO THE DIVISION]

**EXHIBIT E**

[FORM OF OPINION OF UNDERWRITERS' COUNSEL]

**ESCROW AGREEMENT**

**ELECTRIC DIVISION**

**THIS ESCROW AGREEMENT** (the "Agreement") dated as of \_\_\_\_\_, 2020, among the **CITY OF MEMPHIS** (the "City"), the **MEMPHIS LIGHT, GAS AND WATER DIVISION** (the "Division"), a division of the City, and **REGIONS BANK**, Nashville, Tennessee (the "Escrow Agent"),

WITNESSETH:

WHEREAS, the City, at the request and recommendation of the Division, has authorized and issued the following bonds pursuant to a Master Resolution adopted by the City on July 2, 2002, and adopted by the Division on June 20, 2002, as previously amended and supplemented, and particularly as supplemented by a Fifth Supplemental Resolution adopted by the City on April 15, 2014, and adopted by the Division on April 8, 2014 (the "Bond Resolution");

\$71,000,000 Electric System Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), now outstanding in the principal amount of \$58,240,000;

WHEREAS, the City has found and determined that it is advantageous to the Division to advance refund the outstanding Series 2014 Bonds bearing interest at the rate of [ ] percent ([ ]%) per annum, maturing on December 1 of each year, commencing December 1, 20\_\_, through and including December 1 20\_\_, in the aggregate principal amount of \$ \_\_\_\_\_, which are described on Exhibit III attached hereto (the "Refunded 2014 Bonds") and has issued its \$[ ] Electric System Revenue Refunding Bonds, Series 2020B (Federally Taxable) (the "Series 2020B Bonds"), for the purpose of providing funds for said advance refunding.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein set forth, the City and the Escrow Agent agree as follows:

**SECTION 1. Establishment of Trust Fund.** There is hereby created and established with the Escrow Agent a special and irrevocable trust fund designated the "City of Memphis, Tennessee, Electric System Revenue Refunding Bonds, Series 2020B (Federally Taxable), Escrow Fund" (the "Escrow Fund") to be held in the custody of the Escrow Agent as a trust fund separate and apart from all other funds of the City or of the Escrow Agent, for the benefit of the holders of the Refunded 2014 Bonds.

**SECTION 2. Deposit of Securities; Pledge of Refunding Bond Proceeds.** (a) Concurrently with the execution of this Agreement, to provide for the payment on the dates set forth in Exhibit I of the Refunded 2014 Bonds (including the principal thereof, redemption premium, if applicable, and interest thereon), the City hereby irrevocably deposits with the Escrow Agent, in trust for the benefit of the holders of the Refunded 2014 Bonds, subject to the terms and conditions hereinafter set forth, the amount of \$ \_\_\_\_\_ (the "Initial Deposit Amount") being an amount sufficient to purchase the obligations of the United States of

America described in Exhibit I hereto (the "Government Securities"), which obligations are not subject to redemption prior to maturity by the issuer of such securities, for an aggregate purchase price of \$ \_\_\_\_\_; a cash balance of \$ \_\_\_\_\_ will exist after the purchase of the Government Securities. The Initial Deposit Amount shall be deposited by the Escrow Agent in the Escrow Account and shall be invested and applied in the manner and for the purposes hereinafter set forth. The Escrow Agent acknowledges receipt of the Initial Deposit Amount.

(b) Except as otherwise expressly provided herein, all moneys and Government Securities set aside and held in trust in the Escrow Account shall be applied to and used solely for the payment of the principal of, premium, if any, and interest on the Refunded 2014 Bonds as and when due in accordance with their terms and the terms hereof.

SECTION 3. Purchase of Government Securities. (a) The City hereby directs the Escrow Agent to purchase, and the Escrow Agent agrees to purchase, on \_\_\_\_\_, 2020, with the amounts held in the Escrow Account as the result of the deposits and transfers thereto pursuant to Section 2, the Government Securities, as described Exhibit I hereto.

(b) The City and the Escrow Agent hereby acknowledge receipt from \_\_\_\_\_ (the "Verification Agent"), of a report verifying that the Government Securities mature as to principal and interest (without regard to any reinvestment of such Government Securities) in such amounts and at such times as will assure, together with any money held in the Escrow Account, the availability of sufficient money to make payment of the principal of and interest on the Refunded 2014 Bonds, as set forth on Exhibit I, attached hereto and incorporated herein by reference.

(c) The City and the Escrow Agent hereby agree solely in reliance upon the report provided by the Verification Agent, pursuant to Section 3(b) hereof, that the Government Securities mature as to principal and interest (without regard to any reinvestment of such Government Securities) in such amounts and at such times as will assure, together with any money held in the Escrow Account, the availability of sufficient money to make payment of the principal and interest to the payment dates of the outstanding Refunded 2014 Bonds, as set forth on Exhibit I attached hereto and incorporated herein by reference.

SECTION 4. Reinvestment; Substitution of Government Securities. (a) Except as provided in Section 2 and 3 in this Section, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Government Securities or other investments held hereunder.

(b) The Escrow Agent shall, at the direction of the Division, make certain investments, in addition to the investments specified above, at certain times in the future, of moneys received with respect to any obligations in the Escrow Account and not needed, or in advance of the date needed at the time of such receipt, to pay the principal of or interest on the Refunded 2014 Bonds. Such amounts shall be invested, at the direction of the Division, in investments that shall mature prior to the time that such amounts shall be needed to pay the principal of or interest on the Refunded 2014 Bonds. Government Securities, purchased pursuant

hereto (i) shall not be subject to redemption prior to maturity by the City and shall be purchased directly from the United States Treasury or purchased from others at their market value [and shall bear a yield that will not exceed the yield on the Series 2020B Bonds (which yield is \_\_\_\_\_%), as required by Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the proposed, temporary and permanent regulations promulgated thereunder, or (ii) the maximum yield if the Division shall certify, based on the advice of national recognized bond counsel addressed to the City, the Division, and the Escrow Agent, that the investment of such amounts in such Government Securities will not adversely affect the exclusion from gross income of the interest on the Refunded 2015 Bonds (or the Series 2020B Bonds) for federal income tax purposes under the Code]. If no such investments are then available, such amounts shall be held in cash until such investments become available without any investment thereof and not as a deposit with any bank, saving and loan association or other depository, unless such deposits shall be continuously secured in the manner provided in the Bond Resolution.

[In purchasing any obligation described in the preceding paragraph, the Escrow Agent shall be entitled to request and conclusively rely, as to matters stated in subclauses (A) and (B) thereof, upon an unqualified opinion reasonably satisfactory to the Escrow Agent rendered at the time of purchase of such obligations, by nationally recognized bond counsel selected by the Division and acceptable to the Escrow Agent.]

(c) The Government Securities deposited in the Escrow Account shall, at the written direction of the Division, be sold or otherwise disposed of and the Escrow Agent shall reinvest in and substitute for the Government Securities (the "Substitute Government Securities"), and the Substitute Government Securities shall, at the direction of the Division, be sold or otherwise disposed of and the Escrow Agent shall reinvest in and substitute for such Substitute Government Securities other Substitute Government Securities; provided, however, that such Substitute Government Securities mature as to principal and interest in such amounts and at such times as will assure the availability of sufficient moneys to make payment when due of the principal of and interest on the Refunded 2014 Bonds, to the respective payment dates thereof, all as set forth in Section 3 hereof; and provided, however, that concurrently with such written direction, the Division shall provide the Escrow Agent with (a) a certification of a nationally recognized independent certified public accountant that such reinvestment in Substitute Government Securities satisfies the conditions specified in the preceding sentence and which sets forth in reasonable detail the calculations underlying such certification and (b) an unqualified opinion of nationally recognized bond counsel to the effect that such reinvestment is otherwise in compliance with this Agreement and the Bond Resolution.

(d) Any reinvestment authorized by Section 4(c) shall be accomplished by sale, transfer, request for redemption, exchange or other disposition of all or a portion of the Government Securities or Substitute Government Securities then held in the Escrow Account with the proceeds thereof being applied simultaneously to the purchase of Substitute Government Securities, all as specified in the written direction of the Division.

SECTION 5. Evidence of Transactions; Operating Report. (a) On or before [July 15, 2021], and [quarterly] thereafter the Escrow Agent shall deliver to the Division a statement evidencing transactions relating to the Escrow Account, a report of the financial condition of the Escrow Account and an operating statement for the Escrow Account for the preceding calendar quarter. Upon final payment of the Refunded 2014 Bonds, the Escrow Agent shall deliver a final report with respect to the Escrow Fund.

(a) The obligation of the Escrow Agent to deliver the statements and reports referred to in Section 5(a) above shall end when this Agreement is terminated as provided in Section 10 hereof.

SECTION 6. Payment of Principal and Interest on Refunded 2014 Bonds. On the interest payment dates for the Refunded 2014 Bonds next following the initial deposit hereunder, the Escrow Agent shall transfer to the proper account of the Paying Agent for the Refunded 2014 Bonds, sufficient moneys from the matured principal of and interest on the Government Securities or Substitute Government Securities and from available moneys held in such account for the payment of the principal of, and interest on the Refunded 2014 Bonds becoming due on their respective dates of payment.

SECTION 7. Irrevocable Deposit; Express Lien. Subject to the terms hereof and except as otherwise provided herein, the deposit of the moneys, Government Securities and any Substitute Government Securities in the Escrow Account shall constitute an irrevocable deposit in trust solely for the payment of the Refunded 2014 Bonds (including interest thereon) pursuant to the terms of the Bond Resolution and this Agreement. The holders of the Refunded 2014 Bonds shall have an express lien on the principal of and interest on the Government Securities, and on any moneys or Substitute Government Securities on deposit in the Escrow Account, until the proceeds thereof are paid out, used or applied in accordance with this Agreement.

SECTION 8. Redemption Notices. The City is redeeming the Refunded 2014 Bonds in accordance with the Bond Resolution. To the extent the Division has not already done so, the Escrow Agent is directed to file a notice of redemption substantially in the form attached hereto as Exhibit II with the Paying Agent to be mailed, postage prepaid, to all bondholders of record and all registered owners of such Refunded 2014 Bonds or portions of Refunded 2014 Bonds at the addresses of such bondholders and owners, as such addresses appear on the registration books provided for in the Bond Resolution. Said publication, filing and mailing shall be done at such time in order to notify the holders of the Refunded 2014 Bonds that principal and accrued interest thereon will be paid on the next Interest Payment Date solely from available moneys in the Escrow Account and from the Government Obligations and will be secured solely by available moneys in the Escrow Account and the Government Obligations, which shall be described in the notice. On or before \_\_\_\_\_, 2020, the Escrow Agent is directed to file a notice of advance refunding and designation substantially in the form attached hereto as Exhibit II with the Paying Agent to be mailed, postage prepaid, to all bondholders of record and all registered owners of such Refunded 2014 Bonds or portions of Refunded 2014 Bonds at the addresses of such bondholders and owners, as such addresses appear on the registration books provided for in the Bond Resolution.

SECTION 9. Liability of Escrow Agent. The liability of the Escrow Agent to make the payments required by this Agreement with respect to the Refunded 2014 Bonds shall be limited to the funds deposited with it hereunder and the Government Securities and any Substitute Government Securities being held for such respective purposes. The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to this Agreement in compliance with the provisions hereof.

In the event of the Escrow Agent's failure to account for any of the Government Securities, Substitute Government Securities or funds received by it hereunder, such Government Securities, Substitute Government Securities or funds shall be and remain the property of the City in trust for the holders of the Refunded 2014 Bonds, as herein provided, and if for any reason such Government Securities, Substitute Government Securities and funds cannot be identified, the assets of the Escrow Agent shall be impressed with a constructive trust for the amount thereof and, to the fullest extent permitted by law, the City shall be entitled to a preferred claim upon such assets until identification of such Government Securities, Substitute Government Securities and funds is made.

SECTION 10. Termination: Redeemed Bonds Not Presented for Payment: Income from Government Securities or Substitute Government Securities. This Agreement shall terminate when (a) the principal and interest on all Refunded 2014 Bonds have been fully paid and discharged in accordance with their respective terms, (b) the Escrow Agent shall have transferred to the Division any moneys held by the Escrow Agent in the Escrow Account which remain after payment of all principal and interest on the Refunded 2014 Bonds, and (c) all statements and reports required by Section 5 hereof shall have been delivered by the Escrow Agent to the Secretary-Treasurer of the Division. Upon transfer of any excess moneys in the Escrow Account to the Division with respect to the Refunded 2014 Bonds, the holders of the Refunded 2014 Bonds shall thereafter be entitled to look only to the Division for payment thereof.

All income from all Government Securities or Substitute Government Securities in the hands of the Escrow Agent pursuant to this Agreement which are not required for the payment of the Refunded 2014 Bonds and interest thereon shall upon receipt of a current verification by the Verification Agent or another nationally recognized firm of certified public accountants that such earnings are not so required, be paid to the Division, without further authorization or direction.

SECTION 11. Fees of Escrow Agent. (a) The City shall pay all necessary and proper fees, compensation and expenses of the Escrow Agent pertaining to the Refunded 2014 Bonds, including, without limitation, reasonable compensation for all services rendered in the execution, exercise and performance of any of the duties to be exercised or performed pursuant to the provisions of this Agreement, and all expenses, disbursements and advances incurred in accordance with any provisions of the Agreement (including the reasonable compensation and expenses and disbursements of counsel not regularly in the employ thereof). Subject to the provisions of Section 9 of this Agreement, the Escrow Agent shall be entitled to indemnity from the City against any loss, liability or expense incurred on its part arising out of or in connection with the acceptance of administration of the powers and duties of the trust created pursuant to the provisions of this Agreement, including the cost and expense of defending against any claim or liability in the premises; provided, however, that the Escrow Agent shall not have a lien or claim

for payment of such compensation, expenses and disbursements of counsel, losses, liabilities and expenses prior to that of the holders of the Refunded 2014 Bonds upon any funds held by the Escrow Agent under this Agreement.

(b) The City will pay the amounts described in Section 11(a) when billed.

(c) The Escrow Agent acknowledges that the above-specified provisions for payment are satisfactory to it.

SECTION 12. Duties Of Escrow Agent; Evidence Upon Which Escrow Agent May Act; Replacement Of Escrow Agent. (a) the Escrow Agent agrees to perform all the duties and obligations imposed upon it by this agreement as well as those provisions of the Bond Resolutions applicable to the performance of this agreement. The Escrow Agent acknowledges receipt of certified copies of the Bond Resolution.

(b) Subject to the provisions of Section 12(a) hereof, the Escrow Agent may conclusively rely, as to the correctness of statements, conclusions and opinions therein, upon any certificate, report, consent, notice, appointment or other direction made or given by the City or the Division to the Escrow Agent which shall be deemed to have been sufficiently made or given by the proper party or parties if executed on behalf of the City or the Division by the President or Secretary-Treasurer of the Division.

(c) The Escrow Agent may resign upon thirty (30) days written notice to the City and upon the acceptance of a successor Escrow Agent. Any successor Escrow Agent shall be a corporation which (1) is qualified to do business, and to exercise trust powers, in any State of the United States; and (2) has a paid-in capital and surplus aggregating not less than [Two Hundred Fifty Million Dollars (\$250,000,000)]. If Regions Bank shall cease to have the power to act as Escrow Agent hereunder or shall resign as Escrow Agent hereunder and if requested by the City, such Escrow Agent shall execute such agreements, assignments and other documents as shall be necessary to vest in a successor trustee all the title, rights, duties and obligations of such trust company under this Agreement and in the Government Securities, Substitute Government Securities and other funds deposited or to be deposited or received by the Escrow Agent under this Agreement. Upon acceptance by such successor trustee of the trusts created hereunder, all further title, rights, duties and obligations of the Escrow Agent under this Agreement shall cease and determine and be discharged, except for rights or liabilities theretofore accrued to or by the City or the Escrow Agent.

SECTION 13. Incorporation by Reference. The applicable and necessary provisions of the Bond Resolution are incorporated herein by reference.

SECTION 14. [Arbitrage Covenant. Any other provision of this Agreement to the contrary notwithstanding, the City hereby covenants that it (i) will not take any action which would cause, and will take any action which if not taken would cause, interest on the Series 2020B Bonds to become subject to federal income taxation under the Code and the regulations adopted thereunder and (ii) will not use, or permit the use of, any proceeds of the Series 2020B

Bonds, or of moneys or funds held by the Escrow Trustee under this Agreement that may be deemed to be the proceeds of the Refunded 2014 Bonds or the Series 2020B Bonds pursuant to Sections 103 and 141 through 150 of the Code, and regulations adopted under said Section, as each is then in effect, in a manner that would cause any of the Series 2010 Bonds to be subjected to treatment under said Sections 103 and 141 through 150 as an "arbitrage bond." To such ends the City shall comply with applicable regulations proposed and promulgated under the Code and the City and the Escrow Trustee shall execute and deliver all agreements, certificates and other documentation deemed necessary or advisable to comply with the covenants contained in this Section.]

SECTION 15. Benefit of Agreement: Amendments. This Agreement is made for the benefit of the City and the Division and the holders from time to time of the Refunded 2014 Bonds. This Agreement shall not be repealed, revoked, altered or amended without the written consent of all such holders and the written consent of the Escrow Agent; provided, however, that the City and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of such holders any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent;
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of counsel of recognized standing in the field of law relating to municipal bonds with respect to compliance with this Section, including (i) the extent, if any, to which any change, modification or addition affects the rights of the holders of the Refunded 2014 Bonds and the coupons appurtenant thereto, and (ii) the extent, if any, to which any instrument executed hereunder complies with the conditions and provisions of this Section. Notification of any amendment shall be given to Moody's Investors Service, Inc. and Standard & Poor's Corporation.

SECTION 16. Severability. If any one or more of the words, phrases, sentences, covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions of this Agreement or of the Refunded 2014 Bonds, and the holders of the Refunded 2014 Bonds shall retain all the rights and benefits accorded them hereunder and under applicable provisions of law.

If any provision of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering

the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

SECTION 17. Law and Place of Enforcement of this Agreement. This Agreement shall be construed and interpreted in accordance with the laws of the State of Tennessee and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in Shelby County, Tennessee.

SECTION 18. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 19. Section Headings. The heading of the several Sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Agreement.

*[Signature Page Follows]*

[Signature Page to Escrow Trust Agreement]

IN WITNESS WHEREOF, the parties have each caused this Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested as of the date first above written.

ATTEST:

CITY OF MEMPHIS

\_\_\_\_\_  
Secretary-Treasurer

By: \_\_\_\_\_  
President  
Memphis Light, Gas & Water

(SEAL)

ATTEST:

REGIONS BANK

\_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

(SEAL)

**EXHIBIT I  
ESCROW TRUST AGREEMENT  
ESCROW SECURITIES**

**EXHIBIT II**  
**NOTICE OF REDEMPTION**  
**OF**  
**\$ \_\_\_\_\_**  
**CITY OF MEMPHIS, TENNESSEE**  
**ELECTRIC SYSTEM REVENUE BONDS,**  
**SERIES 2014**  
**CUSIP No. \_\_\_\_\_ (THE "BONDS")**

**TO: DEPOSITORY TRUST COMPANY**

Notice is hereby given on behalf of the City of Memphis, Memphis Light Gas & Water Division (the "Division") that the Division intends to redeem the Bonds on December 1, [\_\_\_\_\_] at a redemption price equal to One Hundred Percent (100%) of the principal amount of the Bonds plus accrued and unpaid interest not otherwise payable on such date.

This Notice will be published by delivery to Depository Trust Company ("DTC"), the representative of the registered owner of the Bonds, Cede & Co. Delivery to DTC will be effected by overnight courier with confirmation by United States Mail, postage prepaid the date hereof.

On the redemption date the redemption price will become due and payable and interest on the Bonds shall cease to accrue from and after such date.

**NOTICE OF ADVANCE REFUNDING AND DESIGNATION  
OF  
CITY OF MEMPHIS, TENNESSEE  
ELECTRIC SYSTEM REVENUE BONDS,  
SERIES 2014**

**TO: DEPOSITORY TRUST COMPANY & MBIA INSURANCE CORPORATION**

NOTICE IS HEREBY GIVEN to the holders of the City's Electric System Subordinate Revenue Bonds, Series 2014,<sup>1</sup> described on Schedule "A" attached hereto and incorporated herein by reference (the "Refunded Bonds") that the City has (i) deposited with Regions Bank, the Trustee for the Refunded Bonds, cash and obligations of the United States of America, the principal of and interest on which when due together will provide monies sufficient to pay when due the interest on the Refunded Bonds through the applicable maturity or redemption date, and the principal together with any applicable redemption premium thereon, and (ii) irrevocably designated the Refunded Bonds for redemption as aforesaid. As a result of such deposit, said Refunded Bonds and the covenants, agreements and other obligations of the Issuer to the Bondholders shall be discharged and satisfied in accordance with the applicable provisions of the Resolution. This Notice of Advance Refunding and designation only applies to the Refunded Bonds described herein.

CITY OF MEMPHIS, TENNESSEE

\_\_\_\_\_  
By: Regions Bank, Trustee

<sup>1</sup> Series, maturity, or portion thereof, redemption date, and CUSIP number are set forth on Exhibit A hereto

**SCHEDULE A TO NOTICE OF ADVANCE REFUNDING AND DESIGNATION**

Maturity Date	Principal Amount to be Redeemed	CUSIP	Redemption Date

No representation is made as to the accuracy of the CUSIP number either as printed on the Refunded Bonds or as set forth in this Notice.

**EXHIBIT III**

**SCHEDULE OF REFUNDED SERIES 2014 BONDS**

Maturity Date	Principal Amount to be Redeemed	CUSIP

53425539.v3



# City Council Item Routing Sheet

**Division:** City Council    **Committee:** MLGW    **Hearing Date:** July 21, 2020

- Ordinance                       Resolution                       Grant Acceptance  
 Budget Amendment               Commendation                       Other: [Click here to enter text.](#)

<p><b>Item Description:</b> Resolution approving the issuance of, and recommending to and requesting that the City Council issue and sell, through negotiated sale, not to exceed \$75,000,000 principal amount of, Water System Revenue Bonds, Series 2020, pursuant to the Water System Revenue Obligations Master Resolution, adopted by the Board on December 5, 2013 and by the City Council on December 17, 2013, as supplemented by the Fourth Supplemental Resolution.</p>	
<p><b>Recommended Council Action:</b> . Approve the resolution.</p>	
<p><b>Describe previous action taken by any other entity (i.e. board, commission, task force, council committee, etc.) and date of any action taken:</b> Approved by the MLGW Board of Commissioners on June 30, 2020.</p>	
<p><b>Does this item require city expenditure? Yes</b></p> <p>\$Click here to enter text.</p> <p>\$Click here to enter text.</p>	<p><b>Source and Amount of Funds:</b></p>

### Approvals

Director \_\_\_\_\_ Date \_\_\_\_\_

Division Chief \_\_\_\_\_ Date \_\_\_\_\_

Budget Manager \_\_\_\_\_ Date \_\_\_\_\_

MLGW SVP, CFO & CAO  
Secretary-Treasurer  Date 6/30/20

**Chief Operating Officer**  
\_\_\_\_\_ Date \_\_\_\_\_

**Council Committee Chair**  
\_\_\_\_\_ Date \_\_\_\_\_



## Memphis City Council Summary Sheet

- 1. Description of the Item (Resolution, Ordinance, etc.)** Resolution approving the issuance of, and recommending to and requesting that the City Council issue and sell, through negotiated sale, not to exceed \$75,000,000 principal amount of, Water System Revenue Bonds, Series 2020, pursuant to the Water System Revenue Obligations Master Resolution, adopted by the Board on December 5, 2013 and by the City Council on December 17, 2013, as supplemented by the Fourth Supplemental Resolution.
  
- 2. Initiating Party (e.g. Public Works, at request of City Council, etc.)**  
Memphis Light, Gas and Water Division
  
- 3. State whether this is a change to an existing ordinance or resolution, if applicable.**  
Not applicable.
  
- 4. State whether this requires a new contract, or amends an existing contract, if applicable.**  
Not applicable.
  
- 5. State whether this requires an expenditure of funds/requires a budget amendment.**  
Not applicable.

**EXCERPT**  
from  
**MINUTES OF MEETING**  
of  
**BOARD OF LIGHT, GAS AND WATER COMMISSIONERS**  
**CITY OF MEMPHIS**  
held  
**June 30, 2020**

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The Secretary-Treasurer recommended that the Board approve the issuance of, and recommend to and request that the City Council issue and sell, through negotiated sale, not to exceed \$75,000,000 principal amount of Water System Revenue Bonds, Series 2020 (the "Series 2020 Bonds"), pursuant to the Water System Revenue Obligations Master Resolution, adopted by the Board on December 5, 2013, and by the City Council on December 17, 2013 (the "Master Resolution"), as supplemented by the Fourth Supplemental Resolution, captioned as follows, in substantially the form attached to this resolution as Exhibit "A" (the "Supplemental Resolution"):

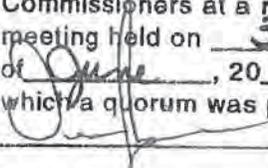
A FOURTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE WATER SYSTEM REVENUE OBLIGATIONS MASTER RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED SEVENTY-FIVE MILLION DOLLARS (\$75,000,000) PRINCIPAL AMOUNT OF WATER SYSTEM REVENUE BONDS, SERIES 2020; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; APPROVING THE SALE THEREOF BY NEGOTIATION; AUTHORIZING THE PREPARATION AND EXECUTION OF A BOND PURCHASE AGREEMENT AND PAYING AGENT AGREEMENT; AUTHORIZING THE PREPARATION, EXECUTION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT; APPOINTING A BOND REGISTRAR AND PAYING AGENT; AND AUTHORIZING OFFICERS OF THE CITY TO TAKE ALL NECESSARY STEPS TO ACCOMPLISH THE SALE OF THE BONDS.

**NOW THEREFORE, BE IT RESOLVED, THAT**, the Board of Light, Gas & Water Commissioners hereby approves the issuance of the Series 2020 Bonds, adopts the Supplemental Resolution and recommends the forms, terms and conditions

set forth therein to the Council of the City of Memphis for adoption, and to the extent required by the City's Charter and applicable law, requests that the City Council approve, issue and sell the Series 2020 Bonds.

BE, IT FURTHER RESOLVED THAT, the President and Secretary-Treasurer are hereby authorized to enter into, execute and/or deliver, and to recommend to the City Council for adoption, any clarifying amendments to the Master Resolution, or any amendments to the Master Resolution requested by any nationally recognized credit agencies that are providing ratings for the Series 2020 Bonds, and the President and Secretary-Treasurer are hereby authorized to enter into, execute and deliver the Bond Purchase Agreement, substantially in the form attached to this Resolution with such changes as they, in their discretion with the advice of Counsel, deem necessary and appropriate, and to prepare, execute and distribute the Preliminary Official Statement and the Official Statement as described in the Supplemental Resolution, and to enter into such other agreements and documents and take such other actions as they in their discretion, deem to be necessary and appropriate in order to consummate the transactions contemplated hereby.

I hereby certify that the foregoing is a true copy of a resolution accepted by the Board of Light, Gas and Water Commissioners at a ~~regular~~-special meeting held on 30th day of June, 2020, at which a quorum was present.

  
Secretary-Treasurer



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**CITY OF MEMPHIS, TENNESSEE**

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**FOURTH SUPPLEMENTAL RESOLUTION**

**RELATING TO**

**WATER SYSTEM REVENUE BONDS  
SERIES 2020**

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**Adopted [\_\_\_\_], 2020  
By the Board of Commissioners of the  
Memphis Light, Gas and Water Division**

**Adopted [\_\_\_\_], 2020  
By the City Council of the  
City of Memphis, Tennessee**

#### **FOURTH SUPPLEMENTAL RESOLUTION**

**FOURTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE WATER SYSTEM REVENUE OBLIGATIONS MASTER RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED SEVENTY-FIVE MILLION DOLLARS (\$75,000,000) PRINCIPAL AMOUNT OF WATER SYSTEM REVENUE BONDS, SERIES 2020; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; APPROVING THE SALE THEREOF BY NEGOTIATION; AUTHORIZING THE PREPARATION AND EXECUTION OF A BOND PURCHASE AGREEMENT AND PAYING AGENT AGREEMENT; AUTHORIZING THE PREPARATION, EXECUTION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT; APPOINTING A BOND REGISTRAR AND PAYING AGENT; AND AUTHORIZING OFFICERS OF THE CITY TO TAKE ALL NECESSARY STEPS TO ACCOMPLISH THE SALE OF THE BONDS**

**WHEREAS**, the City Council (the "Council") of the City of Memphis, Tennessee (the "City"), by resolution adopted on December 17, 2013, and the Board of Light, Gas and Water Commissioners (the "Board") of the Memphis Light, Gas and Water Division (the "Division"), by resolution adopted on December 5, 2013 (the "Master Resolution"), authorized water system revenue obligations to finance the construction, extension, improvements and equipping of the water system and facilities of the City operated by the Division (collectively, the "System", as more fully defined in the Master Resolution), and to refinance certain outstanding obligations of the City the proceeds of which were used to finance the construction, extension, improvements, and equipping of the System and/or refinance certain outstanding obligations of the City issued to finance improvements to the System; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a First Supplemental Resolution adopted by the City on April 15, 2014, and adopted by the Division on April 8, 2014, Fifteen Million Dollars (\$15,000,000) aggregate principal amount of its Water System Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), which such Series 2014 Bonds are currently outstanding in the principal amount of \$12,090,000, for the purpose of financing the Costs of acquisition, expansion and/or improvements to the System; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a Second Supplemental Resolution adopted by the City on July 5, 2016, and adopted by the Division on June 1, 2016, Thirty Million Dollars (\$30,000,000) aggregate principal amount of its Water System Revenue Bonds, Series 2016 (the "Series 2016 Bonds"), which such Series 2016 Bonds are currently outstanding in the principal amount of \$26,545,000, for the purpose of financing the Costs of acquisition, expansion and/or improvements to the System; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a Third Supplemental Resolution adopted by the City on August 22, 2017, and adopted by the Division on July 19, 2017, Twenty-Five Million Dollars (\$25,000,000) aggregate principal amount of its Water System Revenue Bonds, Series 2017 (the "Series 2017 Bonds"), which such Series 2017 Bonds are currently outstanding in the principal amount of \$23,225,000, for the purpose of financing the Costs of acquisition, expansion and/or improvements to the System; and

**WHEREAS**, the Master Resolution requires that any supplemental resolution providing for the issuance of Revenue Obligations pursuant thereto specify certain matters with respect to such Revenue Obligations; and

**WHEREAS**, the Board has recommended to and requested that the Council issue pursuant to the Master Resolution, as supplemented by this Fourth Supplemental Resolution, not to exceed Seventy-Five Million Dollars (\$75,000,000) in principal amount of Water System Revenue Bonds, Series 2020 (the "Series 2020 Bonds"), to finance the Costs of acquisition, expansion and/or improvements to the System, including the reimbursement of certain of such Costs incurred prior to the issuance of the Series 2020 Bonds (the "Series 2020 Project"), and to pay the costs of issuance and sale of the Series 2020 Bonds; and

**WHEREAS**, the issuance of the Series 2020 Bonds shall be accomplished in compliance with the Division's Debt Management Policy; and

**WHEREAS**, the principal of and interest on the Series 2020 Bonds shall be payable solely from and be secured by a pledge of the Pledged Revenues (as defined in the Master Resolution) consisting of a Senior Lien on the General Revenues and the funds and accounts established for the Series 2020 Bonds which is on a parity and equality of lien with respect to such Pledged Revenues with any Outstanding Senior Lien Revenue Obligations and any additional Senior Lien Revenue Obligations hereafter issued and senior in lien and right of payment to any Outstanding Subordinate Lien Obligations or any Subordinate Lien Obligations issued in the future; and

**WHEREAS**, as of the date hereof, the Outstanding Series 2014 Bonds, the Outstanding Series 2016 Bonds, and the Outstanding Series 2017 Bonds are the only Outstanding Revenue Obligations under the Resolution, and the Outstanding Series 2014 Bonds, the Outstanding Series 2016 Bonds, and the Outstanding 2017 Bonds constitute Senior Lien Revenue Obligations under the Resolution; and

**WHEREAS**, for the purposes of authorizing the negotiated sale of the Series 2020 Bonds, the pledging of the Pledged Revenues for the payment of the principal of and interest on the Series 2020 Bonds, the preparation, execution and delivery of a bond purchase agreement and a paying agent agreement, the preparation, execution and distribution of a preliminary and final official statement, the appointment of a paying agent and bond registrar, and authorizing the execution of such documents and certificates as shall be necessary to consummate the sale and delivery of the Series 2020 Bonds, the City Council of the City of Memphis, Tennessee, adopts this Fourth Supplemental Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE AS FOLLOWS:

**ARTICLE I  
DEFINITIONS AND FINDINGS**

**SECTION 1.01 Fourth Supplemental Resolution; Definitions.**

This Fourth Supplemental Resolution is adopted pursuant to and in accordance with Section 2.01 of the Master Resolution. The definitions in the Master Resolution and all terms, covenants, restrictions and provisions of the Master Resolution shall be applicable to the Series 2020 Bonds authorized by this Fourth Supplemental Resolution and the proceeds thereof, except as otherwise expressly provided herein. The Master Resolution, as previously supplemented and as supplemented by this Fourth Supplemental Resolution (hereinafter sometimes referred to collectively as the "Resolution"), shall be read, taken and construed as one and the same instrument. All terms as defined in the Master Resolution shall have the same meaning herein, unless the context otherwise indicates.

**SECTION 1.02 Special Definitions.**

Except as provided by this Fourth Supplemental Resolution, all terms which are defined in Section 1.01 of the Master Resolution shall have the same meanings in this Fourth Supplemental Resolution as such terms are given in said Section 1.01 of the Master Resolution. As used in this Fourth Supplemental Resolution, the following words and phrases shall have the meanings hereinafter set forth unless the context shall clearly indicate that another meaning is intended.

**"Beneficial Owner"** has the meaning specified in Section 2.01(i) hereof.

**"Bond Purchase Agreement"** means a Bond Purchase Agreement, dated as of the sale of the Series 2020 Bonds, entered into by and among the City, the Division and the Underwriters, in the form of the document attached hereto and incorporated herein by reference as Exhibit A, subject to such changes therein as shall be permitted by Section 4.01 hereof.

**"Bond Registrar"** means Regions Bank, Nashville, Tennessee, appointed as Bond Registrar for the Series 2020 Bonds under Section 2.01(d) hereof and approved under Section 4.01(d) hereof, or any successor designated by the Council.

**"Bond Series Certificate"** means the certificate executed and delivered by the Mayor of the City and the President or Secretary-Treasurer of the Division, fixing terms, conditions and other details of the Series 2020 Bonds, including the terms and conditions for redemption of the Series 2020 Bonds, if any, within the parameters established under this Fourth Supplemental Resolution.

**"Book-Entry Form"** or **"Book-Entry System"** means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than

the City or the Bond Registrar/Paying Agent, constitute the record that identifies and records the transfer of, the beneficial “book-entry” interests in those bonds.

“**Co-Bond Counsel**” means The Wade Law Firm, PLLC, Butler Snow LLP or any other attorney at law or a firm of attorneys, designated by the City, of nationally recognized standing in matters pertaining to the excludability from gross income for federal income tax purposes of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“**Code**” means the Internal Revenue Code of 1986, as amended and any regulations thereunder.

“**Defaulted Interest**” has the meaning specified in Section 2.01(f) hereof.

“**Depository**” means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC.

“**Division**” means the Board of Light, Gas and Water Commissioners operating the Memphis Light, Gas and Water Division of the City, established pursuant to Private Acts of Tennessee, 1939, Chapter 381, as amended, and any board, body, agency or instrumentality of the City which shall hereafter succeed to the powers, duties and functions of said Board.

“**DTC**” means The Depository Trust Company, New York, New York, or its nominee, or its successors and assigns, or any other depository performing similar functions under the Resolution.

“**DTC Participant(s)**” means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System.

“**Fourth Supplemental Resolution**” means this resolution adopted by the Council supplementing the Master Resolution and authorizing the issuance of the Series 2020 Bonds.

“**Interest Payment Date**” means the first day of June and December of each year the Series 2020 Bonds are outstanding, commencing December 1, 2020, or such other dates as shall be established pursuant to Section 4.01 hereof.

“**Master Resolution**” means the Water System Revenue Obligations Master Resolution adopted by the City on December 17, 2013, and by the Board on December 5, 2013, as amended from time to time, authorizing the issuance of water system revenue obligations pursuant to supplemental resolutions.

“**Paying Agent Agreement**” shall mean the Paying Agent Agreement dated as of the date of the Series 2020 Bonds, to be entered into by and between the City and the Bond Registrar/Paying Agent.

“**Paying Agent**” means Regions Bank, Nashville, Tennessee, appointed as Paying Agent for the Series 2020 Bonds under Section 2.01(d) hereof and approved under Section 4.01(d) hereof, or any successor designated by the Council.

“**Principal Payment Date**” means, with respect to the Series 2020 Bonds, the first day of December in the years 2021 through and including 2050, or on such other dates as shall be established pursuant to Section 4.01 hereof.

“**Record Date**” means with respect to the Series 2020 Bonds, the fifteenth (15<sup>th</sup>) day of the month preceding each Interest Payment Date, whether or not such date is a business day.

“**Rule 15c2-12**” has the meaning specified in Section 4.04 hereof.

“**Series 2020 Bonds**” means not to exceed \$75,000,000 Water System Revenue Bonds, Series 2020 of the City, to be dated the date of issuance, or such other date and series designation shall be established pursuant to Section 4.01 hereof.

“**Series 2020 Project**” has the meaning assigned to such term in the recitals to this Fourth Supplemental Resolution.

“**Special Record Date**” has the meaning specified in Section 2.01(f) hereof.

“**Underwriter(s)**” means Raymond James & Associates, Inc., Memphis, Tennessee and any other underwriters selected pursuant to Section 4.01 hereof.

### **SECTION 1.03 Findings of the Council.**

It is hereby found and determined by the Council as follows:

It is advantageous for the City to issue the Series 2020 Bonds for the purpose of (a) financing the Costs of the Series 2020 Project and (b) paying the costs of issuance and sale of the Series 2020 Bonds.

## **ARTICLE II AUTHORIZATION AND TERMS OF SERIES 2020 BONDS**

### **SECTION 2.01 Authorization and Terms of the Series 2020 Bonds.**

(a) Pursuant to the provisions of Chapter 34, Title 7, Tennessee Code Annotated, the Charter of the City and the Master Resolution, and for the purpose of providing funds to finance the Costs of the Series 2020 Project and to pay the costs incident to the issuance and sale of the Series 2020 Bonds, as more fully set forth in Section 4.01 hereof, there are hereby authorized to be issued water system revenue bonds of the City in the aggregate principal amount of not to exceed \$75,000,000. The Series 2020 Bonds shall be issued as Senior Lien Revenue Obligations under the Master Resolution and are entitled to the benefit, protection and security of the provisions of the Master Resolution in the manner provided herein. The Series 2020 Bonds shall be issued under the Master Resolution in fully registered, book-entry only form, without coupons, shall be known as “Water System Revenue Bonds, Series 2020”, or such other

appropriate designation as may be determined by the Mayor and the President or Secretary-Treasurer of the Division pursuant to Section 4.01 hereof, and shall be dated the date of issuance, or such other dated date as may be determined by the Mayor and the President or Secretary-Treasurer of the Division pursuant to Section 4.01 hereof and shall be lettered 20R and numbered from one (1) consecutively upwards. The rate or rates on the Series 2020 Bonds shall not exceed five and one-half percent (5.50%) per annum. Subject to the adjustments permitted pursuant to Section 4.01 hereof, interest on the Series 2020 Bonds shall be payable semi-annually on each Interest Payment Date, commencing December 1, 2020. The Series 2020 Bonds shall be issued in \$5,000 denominations or integral multiples thereof, as shall be requested by the Underwriter, and shall mature on each Principal Payment Date commencing December 1, 2021, and ending December 1, 2050, the final maturity date of the Series 2020 Bonds (with each such date being subject to the adjustments permitted pursuant to Section 4.01 hereof) in such amounts and at such rates as shall be established in the Bond Series Certificate.

(b) The Debt Service Reserve Requirement, if any, for the Series 2020 Bonds shall be determined by the Mayor and the President or Secretary-Treasurer to the extent not inconsistent with this Resolution.

(c) The Series 2020 Bonds may contain such optional or mandatory redemption provisions, if any, as may be determined by the Mayor and the President or Secretary-Treasurer of the Division pursuant to Section 4.01 hereof. Any notice of redemption of Series 2020 Bonds shall be given by the Bond Registrar on behalf of the Division by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Series 2020 Bonds to be redeemed, and any such notice of redemption shall otherwise comply with Article III of the Master Resolution.

(d) The Bond Registrar/Paying Agent is hereby appointed and is hereby authorized and directed to maintain the Bond Register with respect to the Series 2020 Bonds, to authenticate and deliver the Series 2020 Bonds as provided herein and in the Master Resolution, either at original issuance or upon transfer, to effect transfers of the Series 2020 Bonds, to make all payments of principal and interest with respect to the Series 2020 Bonds as provided herein, to cancel and destroy Series 2020 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the City at least annually a certificate of destruction with respect to Series 2020 Bonds canceled and destroyed, and to furnish the City at least annually an audit confirmation of Series 2020 Bonds paid, Series 2020 Bonds outstanding and payments made with respect to interest on the Series 2020 Bonds. The President of the Division is hereby authorized to execute and the Secretary-Treasurer is hereby authorized to attest such written agreement between the City and the Bond Registrar/Paying Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Bond Registrar/Paying Agent. The payment of all reasonable fees and expenses of the Bond Registrar/Paying Agent by the Division for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

(e) The Series 2020 Bonds shall be payable, principal and interest, in lawful money of the United States of America at the principal corporate trust office of the Paying Agent as provided in the Master Resolution. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days

each.

(f) Any interest on any Bond that is payable but is not punctually paid or duly provided for on any Interest Payment Date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the City to the persons in whose names the Series 2020 Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the City shall notify the Bond Registrar/Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the City shall deposit with the Bond Registrar/Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Bond Registrar/Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Bond Registrar/Paying Agent of the notice of the proposed payment, the Bond Registrar/Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest, which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Bond Registrar/Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Bond Registrar/Paying Agent as of the date of such notice. Nothing contained in this Section or in the Series 2020 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the City to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series 2020 Bonds when due.

(g) The Series 2020 Bonds may be transferred and exchanged as provided in the Master Resolution; provided, however, the Bond Registrar/Paying Agent shall not be required to transfer or exchange any Bond during the period commencing on a Record Date or Special Record Date and ending on the corresponding Interest Payment Date of such Bond. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar/Paying Agent shall be affected by any notice to the contrary whether or not any payments due on the Series 2020 Bonds shall be overdue.

(h) The Series 2020 Bonds shall be executed as provided in Section 2.03 of the Master Resolution.

(i) Except as otherwise provided in this Fourth Supplemental Resolution, the Series 2020 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Series 2020 Bonds. References in this Section to a Series 2020 Bond or the Series 2020 Bonds shall be construed to mean the Series 2020 Bond or the Series 2020 Bonds that are held under the Book-Entry System. One Series 2020 Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be

employed, evidencing ownership of the Series 2020 Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series 2020 Bonds. Beneficial ownership interests in the Series 2020 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series 2020 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series 2020 Bonds. Transfers of ownership interests in the Series 2020 Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES 2020 BONDS, THE BOND REGISTRAR/PAYING AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE SERIES 2020 BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF AND INTEREST ON THE SERIES 2020 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE BOND REGISTRAR/PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal and interest with respect to the Series 2020 Bonds, so long as DTC is the only owner of the Series 2020 Bonds, shall be paid by the Bond Registrar/Paying Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation relating to the Series 2020 Bonds from the City and the Bond Registrar/Paying Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The City and the Bond Registrar/Paying Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Series 2020 Bonds or (2) the City determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Series 2020 Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2020 Bonds, the City shall discontinue the Book-Entry System with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City shall cause the Bond Registrar/Paying Agent to authenticate and deliver replacement Series 2020 Bonds in the form of fully registered Series 2020 Bonds to each Beneficial Owner in accordance with the Master Resolution.

THE CITY AND THE BOND REGISTRAR/PAYING AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES 2020 BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2020 BONDS; (iv) THE DELIVERY OR TIMELINESS

OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS; (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2020 BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

(j) The Bond Registrar/Paying Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series 2020 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series 2020 Bonds, utilization of electronic book-entry data received from DTC in place of actual delivery of Series 2020 Bonds and provision of notices with respect to Series 2020 Bonds registered by DTC (or any of its designees identified to the Bond Registrar/Paying Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Series 2020 Bonds, provided, however, that the Bond Registrar/Paying Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

(k) The Bond Registrar/Paying Agent is hereby authorized to authenticate and deliver the Series 2020 Bonds to the Underwriter, as the original purchaser, upon receipt by the Division, on behalf of the City, of the proceeds of the sale thereof and to authenticate and deliver Series 2020 Bonds in exchange for Series 2020 Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series 2020 Bonds shall not be valid for any purpose unless authenticated by the Bond Registrar/Paying Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

#### **SECTION 2.02 Security and Source of Payment.**

The Series 2020 Bonds are payable solely from and secured by a pledge of the Pledged Revenues as provided in the Master Resolution, consisting of a Senior Lien on the General Revenues and the funds and accounts established for the Series 2020 Bonds, which is on a parity and equality of lien with respect to such Pledged Revenues with any Outstanding Senior Lien Revenue Obligations and any additional Senior Lien Revenue Obligations hereafter issued, and such lien is senior in lien and right of payment to any Outstanding Subordinate Lien Obligations or any Subordinate Lien Obligations issued in the future. As set forth in the Master Resolution, the City has no obligation to levy any taxes to pay the Series 2020 Bonds, and therefore the owners of the Series 2020 Bonds shall have no recourse to the power of taxation of the City. The punctual payment of principal of, premium, if any, and interest on the Series 2020 Bonds and any Additional Obligations hereafter issued as Senior Lien Revenue Obligations under the Master Resolution shall be secured equally and ratably by said Pledged Revenues without priority by reason of series, number or time of sale and delivery. The City has covenanted that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of, premium, if any, and interest on Revenue Obligations issued under the Master Resolution, including the Series 2020 Bonds and any bonds hereafter issued on a parity with the Series 2020 Bonds, as each payment

becomes due. For a more complete statement of the general covenants and provisions pursuant to which the Series 2020 Bonds are issued, reference is hereby made to said Resolution.

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**ARTICLE III  
FORM OF SERIES 2020 BONDS**

The Series 2020 Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Series 2020 Bonds are prepared and delivered:

(Form of Face of Bond)

AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE RESOLUTION TO THE CONTRARY, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO A NOMINEE OF DTC, OR BY A NOMINEE OF DTC TO DTC OR A NOMINEE OF DTC, OR BY DTC OR A NOMINEE OF DTC TO ANY SUCCESSOR SECURITIES DEPOSITORY OR ANY NOMINEE THEREOF.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT FOR PAYMENT OF PRINCIPAL OR REDEMPTION PRICE, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, CEDE & CO., AS NOMINEE OF DTC, HAS AN INTEREST HEREIN.

REGISTERED  
Number 20R-\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TENNESSEE  
COUNTY OF SHELBY  
CITY OF MEMPHIS

WATER SYSTEM REVENUE BOND, SERIES 2020

Interest Rate:

Maturity Date:

Date of Bond:

CUSIP No.

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That the City of Memphis, a municipal corporation lawfully organized and existing in Shelby County, Tennessee (the "City"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date, said interest being payable on December 1, 2020, and semi-annually thereafter on the first day of June and December in each year until this Series 2020 Bond matures. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of Regions Bank, Nashville, Tennessee, as registration agent and paying agent (the "Bond Registrar/Paying Agent"). The Bond Registrar/Paying Agent shall make all interest payments with respect to this Series 2020 Bond on each interest payment date directly to the registered owner hereof shown on the Series 2020 Bond registration records maintained by the Bond Registrar/Paying Agent as of the close of business on the fifteenth (15<sup>th</sup>) day of the month next preceding the interest payment date (the "Record Date") by check or draft mailed to such owner at such owner's address shown on said Series 2020 Bond registration records, without, except for final payment, the presentation or surrender of this Series 2020 Bond, and all such payments shall discharge the obligations of the City to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Series 2020 Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Bond Registrar/Paying Agent, notice of which shall be given to the owners of the Series 2020 Bonds of the issue of which this Series 2020 Bond is one not more than fifteen (15) nor less than ten (10) days prior to such Special Record Date. Payment of principal of this Series 2020 Bond shall be made when due upon presentation and surrender of this Series 2020 Bond to the Bond Registrar/Paying Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Series 2020 Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2020 Bonds of the series of which this Series 2020 Bond is one. One Series 2020 Bond for each maturity of the Series 2020 Bonds shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Series 2020 Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Series 2020 Bonds, the City and the Bond Registrar/Paying Agent shall treat Cede & Co., as the only owner of the Series 2020 Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of and interest on the Series

2020 Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, premium, if any, and interest with respect to the Series 2020 Bonds, so long as DTC is the only owner of the Series 2020 Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the City nor the Bond Registrar/Paying Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Series 2020 Bonds or (2) the City determines that the continuation of the book-entry system of evidence and transfer of ownership of the Series 2020 Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2020 Bonds, the City may discontinue the book-entry system with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City shall cause the Bond Registrar/Paying Agent to authenticate and deliver replacement Series 2020 Bonds in the form of fully registered Series 2020 Bonds to each Beneficial Owner. Neither the City nor the Bond Registrar/Paying Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Series 2020 Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Series 2020 Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners; (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Series 2020 Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

[Series 2020 Bonds of the issue of which this Series 2020 Bond is one maturing \_\_\_\_\_ through \_\_\_\_\_ shall mature without the option of prior redemption. Series 2020 Bonds of the issue of which this Series 2020 Bond is one maturing \_\_\_\_\_ (or portions thereof in installments of \$5,000) and thereafter shall be subject to redemption at the option of the City, at the direction of the Board of the Memphis Light, Gas and Water Division (the "Division"), in whole or in part on \_\_\_\_\_, any by lot within a maturity (if less than a full maturity is to be redeemed), and at any time thereafter at a price of par plus interest accrued to the redemption date.]

OR, [The Series 2020 Bonds shall not be subject to redemption prior to maturity].

Notice of any redemption of Series 2020 Bonds shall either (i) explicitly state that the proposed redemption is conditioned on there being on deposit in the applicable fund or account on the redemption date sufficient money to pay the full redemption price of the Series 2020 Bonds to be redeemed, or (ii) be sent only if sufficient money to pay the full redemption price of the Series 2020 Bonds to be redeemed is on deposit in the applicable funds or account.

IF TERM BONDS ARE ISSUED, THE FOLLOWING PROVISIONS SHALL BE INCLUDED:

[The City, at the direction of the Division, shall redeem Series 2020 Bonds maturing \_\_\_\_\_ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Series 2020 Bonds of which this Series 2020 Bond is one, or such Person as shall then be serving as the securities depository for the Series 2020 Bonds, shall determine the interest of each DTC Participant in the Series 2020 Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Series 2020 Bonds, the Series 2020 Bonds to be redeemed within a maturity shall be selected by the Bond Registrar by lot or such other random manner as the Bond Registrar in its discretion shall select. The dates of redemption and principal amount of Series 2020 Bonds to be redeemed on said dates are as follows:

<u>Stated Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Series 2020 Bonds Redeemed</u>
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**\*Final Maturity**

At its option, to be exercised on or before the forty-fifth (45<sup>th</sup>) day next preceding any such redemption date, the City, at the direction of the Division, may (i) deliver to the Bond Registrar for cancellation Series 2020 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2020 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Bond Registrar and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series 2020 Bond so delivered or previously purchased or redeemed shall be credited by the Bond Registrar at 100% of the principal amount thereof on the obligation of the City on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series 2020 Bond to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The City, at the direction of the Division, shall on or before the forty-fifth (45<sup>th</sup>) day next preceding each payment furnish the Bond Registrar with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Notice of call for redemption shall be given by the Bond Registrar on behalf of the Division by mailing a copy of an official redemption notice by first class mail at least twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owners of the Series 2020 Bonds to be redeemed at the addresses shown on the Bond Register. As long as DTC, or a successor Depository, is the registered owner of the Series 2020 Bonds, all redemption notices shall be mailed by the Bond Registrar to DTC, or such successor

Depository, as the registered owner of the Series 2020 Bonds, as and when above provided, and none of the City, the Division nor the Bond Registrar shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Series 2020 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Bond Registrar for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.

This Series 2020 Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar/Paying Agent set forth above, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Series 2020 Bond. Upon such transfer, a new Series 2020 Bond or Series 2020 Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Series 2020 Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar/Paying Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Series 2020 Bonds, upon surrender to the Bond Registrar/Paying Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Series 2020 Bonds of the same maturity in any authorized denomination or denominations, upon the terms set forth in the Resolution. The Bond Registrar/Paying Agent shall not be required to transfer or exchange any Series 2020 Bond during the period commencing on a Record Date or Special Record Date and ending on the corresponding interest payment date of such Series 2020 Bond.

This Series 2020 Bond is one of a total authorized issue aggregating \$ \_\_\_\_\_ and issued by the City for the purpose of providing funds to finance the Costs of acquisition, expansion and/or improvements to the System and to pay costs of issuance to the Series 2020 Bonds, under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 7-34-101 *et seq.*, and Sections 9-21-101, *et seq.*, Tennessee Code Annotated, and pursuant to the Master Resolution duly adopted by the City Council of the City on the 17<sup>th</sup> day of December, 2013, as amended and supplemented from time to time and in particular as supplemented by the Fourth Supplemental Resolution duly adopted by the City Council of the City on the [ ] day of [ ], 2020(collectively, the "Resolution").

This Series 2020 Bond and the interest thereon is payable solely from and secured by a pledge of the Pledged Revenues (as defined in the Master Resolution) as provided in the Master Resolution, consisting of a Senior Lien on the General Revenues and the funds and accounts established for the Series 2020 Bonds, which is on a parity and equality of lien with respect to such Pledged Revenues with any Outstanding Senior Lien Revenue Obligations and any additional Senior Lien Revenue Obligations hereafter issued, and such lien is senior in lien and right of payment to any Outstanding Subordinate Lien Obligations or any Subordinate Lien Obligations issued in the future. As set forth in the Master Resolution, the City has no obligation to levy any taxes to pay the Series 2020 Bonds, and therefore the owners of the Series 2020 Bonds shall have no recourse to the power of taxation of the City. The Series 2020 Bonds do not

constitute a debt of the City or the Division. The punctual payment of principal of, premium, if any, and interest on the Series 2020 Bonds and any Additional Obligations hereafter issued as Senior Lien Revenue Obligations under the Master Resolution shall be secured equally and ratably by said Pledged Revenues without priority by reason of series, number or time of sale and delivery. The City has covenanted that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of, premium, if any, and interest on Revenue Obligations issued under the Master Resolution. For a more complete statement of the security for the Series 2020 Bonds, the rate covenant referenced in the previous sentence and the general covenants and provisions pursuant to which this Series 2020 Bond is issued, reference is hereby made to the Resolution.

This Series 2020 Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Series 2020 Bond during the period the Series 2020 Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2020 Bond in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

This Series 2020 Bond shall not be entitled to any benefit under the Resolution, or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Bond Registrar of the Bond Registrar's Certificate of Authentication hereon.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2020 Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2020 Bond, together with all other indebtedness of the City, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the City has caused this Series 2020 Bond to be signed by its Mayor with his manual or facsimile signature and attested by its Comptroller with her manual or facsimile signature under an impression or facsimile of the corporate seal of the City, all as of the date hereinabove set forth.

CITY OF MEMPHIS, TENNESSEE

BY: \_\_\_\_\_  
Mayor

(SEAL)

ATTESTED:

\_\_\_\_\_  
Comptroller

Transferable and payable at the principal corporate trust office of:

Date of Registration: \_\_\_\_\_

This Series 2020 Bond is one of the issue of Series 2020 Bonds issued pursuant to the Resolution hereinabove described.

REGIONS BANK, Bond Registrar/Paying Agent

By: \_\_\_\_\_  
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto \_\_\_\_\_, whose address is \_\_\_\_\_ (Please insert Federal Identification or Social Security Number of Assignee \_\_\_\_\_), the within Series 2020 Bond of the City of Memphis, Tennessee, and does hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the said Series 2020 Bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Series 2020 Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE; Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Bond Registrar/Paying Agent.

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**ARTICLE IV**  
**SALE OF SERIES 2020 BONDS, APPROVAL OF OFFICIAL STATEMENT,**  
**ESTABLISHMENT OF ACCOUNTS**

**SECTION 4.01      Sale of Series 2020 Bonds.**

(a) The Series 2020 Bonds shall be sold by the Mayor and the President or Secretary-Treasurer of the Division to the Underwriters through a negotiated sale at a price of not less than 97% of the par value of the Series 2020 Bonds actually issued, plus accrued interest, as shall be determined by the Mayor and the President or Secretary-Treasurer of the Division. The sale of the Series 2020 Bonds by the Mayor shall be binding on the City, and no further action of the Council or the Division with respect thereto shall be required.

(b) To facilitate the sale of the Series 2020 Bonds in a manner that is in the best interest of the City and the Division and results in the greatest financial benefit for the City, the Mayor and the President or Secretary-Treasurer of the Division are authorized to establish the following with respect to the Series 2020 Bonds pursuant to the Bond Series Certificate: (1) to change the dated date of the Series 2020 Bonds to a date other than the date of issuance; (2) to change the series designation of the Series 2020 Bonds; (3) to adjust principal and interest payment dates of the Series 2020 Bonds so long as the final maturity dates are not later than December 1, 2050; (4) to decrease the total amount of Series 2020 Bonds authorized to be issued herein; (5) to establish the price at which the Series 2020 Bonds are sold to the Underwriters within the parameters of Section 4.01(a) above; (6) to establish the interest rates for the Series 2020 Bonds, so long as the rate or rates do not exceed five and one-half percent (5.50%) per annum; (7) to establish the principal amounts of the Series 2020 Bonds maturing in each year; (8) to establish such optional and mandatory redemption provisions as may be necessary to maximize the financing objectives of the Division; (9) to designate a portion of the Series 2020 Bonds as term bonds with mandatory redemption provisions established in the Bond Series Certificate; and (10) to establish the Debt Service Reserve Requirement for the Series 2020 Bonds; provided that the Debt Service Reserve Requirement may be \$-0-. The Mayor and the President or Secretary-Treasurer of the Division are further authorized to cause all or a portion of the Series 2020 Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to enter into agreements with the insurance company with respect to the Series 2020 Bonds to the extent not inconsistent with the Resolution.

(c) The Mayor is hereby authorized to execute and accept, and the President of the Division to acknowledge, a Bond Purchase Agreement with the Underwriters, providing for the purchase and sale of the Series 2020 Bonds. The Mayor and the President or Secretary-Treasurer of the Division have previously been authorized to select the Underwriter or Underwriters with whom the City will negotiate the purchase and sale of the Series 2020 Bonds. The Bond Purchase Agreement shall be in substantially the form attached hereto as Exhibit A, with such changes, insertions and omissions as may be approved by The Mayor and the President or Secretary-Treasurer of the Division upon advice and counsel of the Division's General Counsel and Co-Bond Counsel, which such changes, insertions and omissions are in all respects approved, provided the Bond Purchase Agreement accomplishes the sale of the Series 2020 Bonds in accordance with the provisions of the Resolution, and is not inconsistent with the terms

of the Resolution.

(d) The Mayor and the President or Secretary-Treasurer of the Division are authorized to engage and employ such firms and professionals that they deem necessary to consummate the transactions contemplated herein and to negotiate engagements with all of said firms at rates and amounts prevailing in the municipal bond industry for the work to be performed by such firms. The appointment of Regions Bank, Nashville, Tennessee, to serve as the Bond Registrar/Paying Agent under this Fourth Supplemental Resolution is hereby approved. The Mayor, the President and the Secretary-Treasurer of the Division are hereby authorized, empowered and directed to execute and deliver agreements with the Bond Registrar/Paying Agent in the name and on behalf of the City and the Division, including the Paying Agent Agreement, and shall be authorized to modify the terms and conditions of the Paying Agent Agreement as they shall determine to be necessary or appropriate.

(e) The Mayor and the Comptroller of the City, or either of them, are authorized to cause the Series 2020 Bonds to be authenticated and delivered by the Bond Registrar/Paying Agent to the Underwriter and to execute, publish, and deliver all certificates and documents, including a preliminary official statement, an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Series 2020 Bonds.

#### **SECTION 4.02 Establishment of Accounts.**

(a) A Series 2020 Bonds Senior Lien Revenue Interest Subaccount (the "Interest Subaccount") is hereby established within the Interest Account of the Water System Sinking Fund which is established pursuant to Section 4.02(b)(1) of the Master Resolution. On or after the first day of the month next succeeding the date of issuance of the Series 2020 Bonds, but not later than the last day of such month, and each month thereafter, the Division shall deposit in the Interest Subaccount the amounts required under Section 4.04(b) of the Master Resolution.

(b) A Series 2020 Bonds Senior Lien Revenue Principal Subaccount (the "Principal Subaccount") is hereby established within the Principal Account of the Water System Sinking Fund which is established pursuant to Section 4.02(b)(4) of the Master Resolution. On or after the first day of the month next succeeding the date of issuance of the Series 2020 Bonds, but not later than the last day of such month, and each month thereafter, the Division shall deposit in the Principal Subaccount the amounts required under Section 4.04(d) of the Master Resolution.

(c) A Series 2020 Bonds Proceeds Account (the "Series 2020 Bonds Proceeds Account") is hereby established within the Water System Project Fund which is established pursuant to Section 4.02(f) of the Master Resolution. The Division shall pay into the Series 2020 Bond Proceeds Account the amount of the proceeds as designated in Section 4.03(d) of this Fourth Supplemental Resolution. Said proceeds shall be applied in the manner and for the purposes specified in the Resolution to the Costs of Series 2020 Project. Money in the Series 2020 Bonds Proceeds Account not required for immediate disbursement may be invested and reinvested pursuant to the provisions of the Resolution at the direction of the Division and at the Division's risk subject to the limitations in the Resolution and to the requirements of Section 4.01 hereof.

(d) If the Mayor and the President or the Secretary-Treasurer of the Division determine that the Debt Service Reserve Requirement for the Series 2020 Bonds will be greater than \$-0-, a Series 2020 Bonds Debt Service Reserve Subaccount (the "Reserve Subaccount") shall be established within the Debt Service Reserve Account of the Water System Sinking Fund.

**SECTION 4.03 Disposition of Bond Proceeds.**

The proceeds of the sale of the Series 2020 Bonds shall be applied by the City and the Division as follows:

(a) all accrued interest, if any, shall be deposited to the Interest Subaccount to be used to pay interest on the Series 2020 Bonds on the first Interest Payment Date following delivery of the Series 2020 Bonds;

(b) such amounts as may be requested by the Secretary-Treasurer of the Division for the payment of the costs of issuance of the Series 2020 Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premium, if any, administrative and clerical costs, rating agency fees, Bond Registrar/Paying Agent fees, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Series 2020 Bonds, shall be applied for such purposes at the direction of the Division; and

(c) an amount equal to the Debt Service Reserve Requirement for the Series 2020 Bonds, if determined to be greater than \$-0-, shall be deposited in the Reserve Subaccount; and

(d) the remainder of the proceeds of the sale of the Series 2020 Bonds shall be deposited by the Division in the Series 2020 Bonds Proceeds Account and applied to the Costs of the Series 2020 Project or to reimburse the Division for Costs of the Series 2020 Project incurred prior to the issuance of the Series 2020 Bonds, which such reimbursement shall comply with Federal tax law requirements.

**SECTION 4.04 Official Statement.**

The Mayor and the President or Secretary-Treasurer of the Division, or either of them, working with the Underwriter, are hereby authorized and directed to provide for the preparation and distribution, electronic or otherwise, of a Preliminary Official Statement describing the Series 2020 Bonds. After the Series 2020 Bonds have been sold, the Mayor and the President or Secretary-Treasurer of the Division, or either of them, shall cause to be made such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Fourth Supplemental Resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12 ("Rule 15c2-12") of the Securities and Exchange Commission (the "SEC"). The Mayor and the President or Secretary-Treasurer of the Division, or either of them, are hereby authorized to contract with the Underwriter to provide, within seven (7) business days after the day on which the Series 2020 Bonds have been sold to the Underwriter, copies of the Official Statement in sufficient quantity to allow the Underwriter to comply with Rule 15c2-12 and the rules of the SEC and the Municipal Securities Rulemaking Board ("MSRB"). Furthermore, the Mayor and the President or Secretary-Treasurer of the Division, or either of them, are hereby authorized to authorize the Underwriter, to the extent

required by rules of the SEC or the MSRB, to file the Official Statement with the MSRB or its designee, including submission to the MSRB's Electronic Municipal Market Access system, within the timeframe required by Rule G-32 of the MSRB.

The Mayor and the President or Secretary-Treasurer of the Division, or either of them, are authorized, on behalf of the City, to deem the Preliminary Official Statement in final form, to be final as of its date within the meaning of Rule 15c2-12, except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12. The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the City except for the "permitted omissions" as such term is defined in Rule 15c2-12.

## **ARTICLE V COVENANTS**

### **SECTION 5.01 Tax Matters.**

(a) Each of the City and the Division covenants that, in order to maintain the exclusion from gross income for Federal income tax purposes of the interest on the Series 2020 Bonds, each of the City and the Division will satisfy, or take such actions as are necessary to cause to be satisfied, each provision of the Code necessary to maintain such exclusion. In furtherance of this covenant, each of the City and the Division agrees to comply with such written instructions as may be provided by Co-Bond Counsel. In furtherance of the covenant contained in the preceding sentence, each of the City and the Division agrees to continually comply with the provisions of the "Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986," as amended from time to time, to be executed by each of the City and the Division in connection with the execution and delivery of the Series 2020 Bonds.

(b) Each of the City and the Division covenants that no part of the proceeds of the Series 2020 Bonds shall be used, directly or indirectly, to acquire any "investment property," as defined in section 148 of the Code, which would cause the Series 2020 Bonds to become "arbitrage bonds" within the meaning of section 148 of the Code or under applicable Treasury regulations promulgated thereunder. In order to assure compliance with the rebate requirement of section 148 of the Code, each of the City and the Division further covenants that it will pay or cause to be paid to the United States Treasury Department the amounts necessary to satisfy the requirements of section 148(f) of the Code, and that it will establish such accounting procedures as are necessary to adequately determine, account for and pay over any such amount or amounts required to be paid to the United States in a manner consistent with the requirements of section 148 of the Code, such covenant to survive the defeasance of the Series 2020 Bonds.

(c) Notwithstanding any other provision of the Resolution to the contrary, upon the City's or the Division's failure to observe, or refusal to comply with the covenants contained in this Section 5.01, neither the holders of the Bonds of any Series (other than the Series 2020 Bonds or the Paying Agent acting on their behalf) nor the Paying Agent acting on their behalf shall be entitled to exercise any right or remedy provided to such holders or the Paying Agent

under the Resolution based upon the City's failure to observe, or refusal to comply with, the covenants contained in this Section 5.01.

(d) The Mayor and the President or Secretary-Treasurer of the Division, or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Series 2020 Bonds as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the City.

**SECTION 5.02 Continuing Disclosure.**

Each of the City and the Division hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 for the Series 2020 Bonds. The Mayor or the President or Secretary-Treasurer of the Division, or any of them, are authorized to execute at the closing of the sale of the Series 2020 Bonds an agreement for the benefit of and enforceable by the owners of the Series 2020 Bonds specifying the details of the financial information, operating data and material event notices to be provided and its obligations relating thereto. Failure of the City or the Division to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Series 2020 Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the City and the Division to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

**SECTION 5.03 Released Revenue Obligations; Accession of Subordinate Lien Obligations to Senior Lien Status.**

For so long as any Series 2020 Bonds are Outstanding, each of the City and the Division hereby agrees that it shall not (a) cause a separable category or portion of revenues, income, receipts and money relating to a definable service, facility or program of the System to be withdrawn from General Revenues and thereafter treated as Released Revenues under Section 5.05 of the Master Resolution or (b) cause the accession of any Subordinate Lien Obligations to the status of complete parity with any Senior Lien Revenue Obligations under Section 5.06 of the Master Resolution.

**SECTION 5.04 Combined System.**

For so long as any Series 2020 Bonds are Outstanding, each of the City and the Division hereby agrees that it shall not combine any or all of the Division's utility systems into a single unified operation (the "Combined System") or commingle the revenues of the systems so combined in the Combined System under Section 6.04(d) of the Master Resolution.

**ARTICLE VI  
MISCELLANEOUS**

**SECTION 6.01 Resolution a Contract.**

The provisions of the Resolution shall constitute a contract between the City and the registered owners of the Series 2020 Bonds, and after the issuance of the Series 2020 Bonds, no

change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner except as provided in the Resolution.

**SECTION 6.02 Additional Authorizations.**

All acts and doings of the Mayor and Comptroller of the City, and the President and Secretary-Treasurer of the Division and any other officer of the City or the Division which are in conformity with the purposes and intent of this Fourth Supplemental Resolution and in furtherance of the issuance, sale, execution and delivery of the Series 2020 Bonds as set forth herein shall be and the same hereby are in all respects, approved and confirmed.

The Mayor and Comptroller of the City and the President and Secretary-Treasurer of the Division, and other officials, officers and agents of the City and the Division, together with the City's and the Division's financial advisors and Co-Bond Counsel, are hereby authorized, empowered and directed to prepare, execute, file and deliver such further instruments, certificates or other documents with respect to the Series 2020 Bonds, and to take such other and further action, as may be necessary or desirable to consummate the aforesaid issuance of the Series 2020 Bonds and to give full force and effect to the Resolution.

**SECTION 6.03 Severability.**

If any section, paragraph or provision of this Fourth Supplemental Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Fourth Supplemental Resolution.

**SECTION 6.04 Conflicting Resolutions.**

Any and all ordinances or resolutions or parts of ordinances or resolutions, except the Master Resolution, in conflict with this Fourth Supplemental Resolution are to the extent of such conflict hereby repealed, and this Fourth Supplemental Resolution shall take immediate effect and shall be in full force and effect from and after its adoption.

**SECTION 6.05 Amendment of Resolution.**

This Fourth Supplemental Resolution may be amended in the same manner as provided for amendment of the Master Resolution.

**EXHIBIT A**  
**FORM OF BOND PURCHASE AGREEMENT**

CITY OF MEMPHIS, TENNESSEE  
MEMPHIS LIGHT, GAS AND WATER DIVISION

§  
WATER SYSTEM REVENUE BONDS  
SERIES 2020

BOND PURCHASE AGREEMENT

\_\_\_\_\_, 2020

The City of Memphis, Tennessee  
Memphis Light, Gas and Water Division  
220 South Main Street  
Memphis, Tennessee 38103

Ladies and Gentlemen:

Raymond James & Associates, Inc. (the "Representative"), for itself and on behalf of Duncan-Williams Inc., FHN Financial Capital Markets and Siebert Williams Shank & Co., LLC (collectively, the "Underwriters"), does hereby offer to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the City of Memphis, Tennessee (the "City"), and the Memphis Light, Gas and Water Division of the City of Memphis, Tennessee (the "Division"), which upon written acceptance hereof by the City and the Division will be binding upon the City, the Division and the Underwriters concerning the sale by the City and the purchase by the Underwriters of \$ \_\_\_\_\_ aggregate principal amount of the City's Water System Revenue Bonds, Series 2020 (the "Series 2020 Water System Bonds"), maturing and bearing interest at the rates set forth in **EXHIBIT A** attached hereto. This offer is made subject to the written acceptance by the City and the Division on or before 5:00 p.m., Central Time, on the date hereof. If this offer is not accepted, it is subject to withdrawal by the Representative upon written notice delivered to the City and the Division at any time prior to acceptance. The City and the Division understand and acknowledge that the Underwriters, in their capacity as the purchasers and underwriters of the Series 2020 Water System Bonds under this Purchase Agreement, are acting as principals and not as agents or fiduciaries and the purchase of the Series 2020 Water System Bonds by the Underwriters pursuant to this Purchase Agreement is as independent contractors and not in any other capacity. Furthermore, the City and the Division agree that each entity is solely responsible for making its own judgments in connection with the purchase and sale of the Series 2020 Water System Bonds pursuant to this Purchase Agreement irrespective of whether the Underwriters have advised or are currently advising the City or the Division on related or other matters. Capitalized terms used but not defined herein shall have the meanings set forth in the hereinafter defined Water System Resolution.

**SECTION 1. Purpose of Financing, Security and Authorization.** The proceeds of the Series 2020 Water System Bonds will be used to finance the Costs of acquiring, expanding and/or improving the System and to pay certain costs of issuance with respect to the Series 2020 Water

System Bonds. The Series 2020 Water System Bonds are being issued pursuant to Chapter 34, Title 7, Tennessee Code Annotated, as amended (the "Revenue Bond Law"), the Charter of the City (the "City Charter") and the Water System Revenue Obligations Master Resolution adopted by the Board of Light, Gas and Water Commissioners (the "Board") of the Division on December 5, 2013, and by the City Council (the "City Council") of the City on December 17, 2013, and as previously amended and supplemented (the "Master Water System Resolution") and particularly as supplemented in respect of the Series 2020 Water System Bonds by that certain Fourth Supplemental Resolution (the "Fourth Supplemental Resolution") adopted by the Board of the Division on [\_\_\_\_\_, 2020], and by the City Council on [\_\_\_\_\_, 2020], under which Regions Bank, Nashville, Tennessee, is appointed the bond registrar and paying agent (the "Paying Agent") for the Series 2020 Water System Bonds. The Master Water System Resolution, as particularly supplemented by the Fourth Supplemental Resolution, is hereinafter referred to as the "Water System Resolution". The Series 2020 Water System Bonds are being issued as General Revenue Obligations under the Water System Resolution and, as such, are limited obligations of the City payable solely from and secured by a pledge of the Pledged Revenues, which is on a parity and equality of lien with respect to the Pledged Revenues with any additional Senior Lien Obligations hereafter issued thereunder and such lien is senior in lien and right of payment to any Outstanding Subordinate Lien Obligations (as defined in the Official Statement) or any Subordinate Lien Obligations issued under the Master Water System Resolution in the future.

**SECTION 2. Liquidated Damages.** If the City and the Division accepts this offer and if the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Series 2020 Water System Bonds upon tender thereof by the City at the Closing as herein provided, or if the City is unable to satisfy the conditions precedent to the issuance of the Series 2020 Water System Bonds by reason of the failure of the Underwriters to comply with the requirements of this Purchase Agreement as set forth herein, the parties hereby agree that the damages to the City and Division shall be fixed at one percent (1%) of the aggregate principal amount of the Series 2020 Water System Bonds, and, upon such failure of the Underwriters to accept and pay for the Series 2020 Water System Bonds, the Underwriters shall be obligated to pay to the City such amount as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters. Upon such payment, the obligations of the City to pay fees and expenses of the Underwriters pursuant to Section 11 herein shall be fully released and discharged and the Underwriters shall be fully released and discharged of all claims, rights and damages for such failure and for any and all such defaults. In no event shall the City be entitled to damages of any nature other than the liquidated damages herein specified.

**SECTION 3. The Representative and the Underwriters.** Any authority, discretion or other power conferred upon the Underwriters under any provision of this Purchase Agreement may be exercised by the Representative. The payment for, acceptance of, delivery and execution of any receipt for the Series 2020 Water System Bonds and any other instruments upon or in connection with the Closing (hereinafter defined) by the Representative on behalf of the Underwriters shall be valid and sufficient for all purposes and binding upon the Underwriters, provided that such action by the Underwriters shall not impose any obligation or liability upon any Underwriters other than as may arise as expressly set forth in this Purchase Agreement.

**SECTION 4. Representations and Warranties of the City and the Division.** The City and the Division make the following representations and warranties, as of the date hereof, and it shall be a condition of the obligation of the Underwriters to purchase and accept delivery of the Series 2020 Water System Bonds at the Closing (hereinafter defined) that the City shall make the following representations and warranties as of the Closing Date (hereinafter defined).

(a) The Preliminary Official Statement (hereinafter defined) was, with respect to information regarding the City and the Division, as of its date, other than as modified by the Official Statement (hereinafter defined), and the Official Statement is as of the date of this Purchase Agreement, and at all times subsequent thereto up to and including the Closing Date will be, with respect to information regarding the City and the Division, true and correct in all material respects and did not, does not and will not at any such time contain any untrue or misleading statement of a material fact and did not, does not and will not at any such time omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. Any amendments or supplements to the Official Statement, with respect to information regarding the City or the Division, will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) The City is a municipal corporation duly created and existing under the Constitution and the laws of the State of Tennessee (the "State"), pursuant to Chapters 1-3 of Title 7 of the Tennessee Code Annotated, as amended and supplemented (the "Act"), and duly organized and validly existing under the City Charter, which City Charter has been validly adopted.

(c) The Division was created as a division of the City by an amendment to the City Charter by Chapter 381 of the Private Acts of the General Assembly of Tennessee adopted March 9, 1939, as amended (the "Private Act"). The Division has and, at the time of the Closing, will have full legal right, power and authority under the City Charter and the Private Act to operate the System.

(d) The City has and, at the time of the Closing, will have full legal right, power and authority under the laws of the State, the City Charter, the Revenue Bond Law and the Water System Resolution to: (i) adopt the Water System Resolution; (ii) enter into this Purchase Agreement, the Continuing Disclosure Certificate of the City relating to the Series 2020 Water System Bonds in substantially the form attached to the Official Statement (the "Disclosure Certificate") and all other agreements entered into or to be entered into by the City, as contemplated in the Water System Resolution; (iii) secure the Series 2020 Water System Bonds in the manner contemplated in the Water System Resolution; and (iv) carry out and consummate all the transactions contemplated for the City by this Purchase Agreement, the Water System Resolution, the Disclosure Certificate and the Official Statement. The City has complied and, at the Closing, will be in compliance in all material respects with the terms of the City Charter, the Revenue Bond Law and the Water System Resolution, as they pertain to such transactions.

(e) The Division has and, at the time of the Closing, will have full legal right, power and authority under the laws of the State, the City Charter, the Private Act, the Revenue Bond Law and the Water System Resolution to: (i) adopt the Water System Resolution; (ii) enter into this

Purchase Agreement, the Disclosure Certificate, the Paying Agent Agreement and all other agreements entered into or to be entered into by the Division, as contemplated in the Water System Resolution; and (iii) carry out and consummate all the transactions contemplated for the Division by this Purchase Agreement, the Disclosure Certificate, the Paying Agent Agreement, the Water System Resolution and the Official Statement. The Division has complied and, at the Closing, will be in compliance in all material respects with the terms of the City Charter, the Private Act and the Water System Resolution, as they pertain to such transactions.

(f) By all necessary official action of the City and the Division, respectively, prior to or concurrently with the acceptance hereof, the City and the Division have duly: (i) adopted the Water System Resolution; (ii) authorized the execution, delivery and performance of this Purchase Agreement, the Series 2020 Water System Bonds, the Disclosure Certificate, the Paying Agent Agreement and the Water System Resolution, as applicable; (iii) authorized or ratified the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement and any and all amendments and supplements thereto; and (iv) authorized the taking of any and all such actions as may be required on the part of the City and the Division to carry out, give effect to and consummate the transactions contemplated by the aforesaid instruments.

(g) The Water System Resolution, the Disclosure Certificate, the Paying Agent Agreement and this Purchase Agreement constitute, when delivered, assuming due authorization, execution and delivery by the other parties thereto, the legal, valid and binding obligations of the City and the Division, as applicable, and the same are enforceable in accordance with their terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws and principles of equity affecting creditors' rights generally or as to the availability of any particular remedy. As such, the Water System Resolution will constitute, for the benefit of the holders from time to time of the Series 2020 Water System Bonds, the legally valid and binding pledge of and lien on the Pledged Revenues, subject to the provisions thereof.

(h) When delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Purchase Agreement, the Series 2020 Water System Bonds will be duly authorized, executed, issued and delivered and will constitute legal, valid and binding limited obligations of the City enforceable in accordance with their terms and the terms of the Water System Resolution, subject to bankruptcy, insolvency, moratorium, reorganization or other laws and principles of equity affecting creditors' rights generally. The Series 2020 Water System Bonds are special limited obligations of the City secured solely by an assignment and pledge of the Pledged Revenues.

(i) At the Closing, all approvals, consents and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Series 2020 Water System Bonds or the execution and delivery of or the performance by the City or the Division of their respective obligations under this Purchase Agreement, the Series 2020 Water System Bonds or the Water System Resolution will have been obtained or made and any consents, approvals and orders so received or filings so made will be in full force and effect. Notwithstanding anything to the contrary, no representation is made concerning compliance with the applicable securities or Blue-Sky laws of the various states.

(j) The adoption by the City and the Division, respectively, of the Water System Resolution, the authorization, execution, delivery and performance of this Purchase Agreement, the Series 2020 Water System Bonds, the Disclosure Certificate and any other agreement or instrument to which the City or the Division, respectively, is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby or by the Water System Resolution or the Official Statement and compliance with the provisions of each such agreement or instrument, do not and will not conflict with, or constitute or result in a violation or breach of or a default under, the Constitution of the State or any existing law, administrative regulation, rule, decree or order, state or federal, or material provision of any agreement, indenture, mortgage, lease, note or other instrument to which the City or any assets or properties of the System is subject and do not and will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the taxes, revenues, property or assets of the City under the terms of the Constitution of the State or any law, instrument or agreement.

(k) The City is not in breach of or default in any material respect under the Act, the Revenue Bond Law, the Private Act, the City Charter or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City is, or any of the properties or assets of the Water System are, otherwise subject, which such breach or default could in any way, materially adversely affect the ability of the City to issue the Series 2020 Water System Bonds, secure the payment of the Series 2020 Water System Bonds or enter into any of the agreements or instruments, or consummate any of the transactions, contemplated in this Purchase Agreement, the Water System Resolution or the Official Statement. No event has occurred and is continuing which constitutes or, with the passage of time or the giving of notice or both, would constitute a default or an event of default by the City under any agreement or instrument to which the City is a party, which such default or event of default could, in any way, materially adversely affect the issuance of or security for the Series 2020 Water System Bonds.

(l) The Division is not in breach of or default in any material respect under the Act, the Private Act, the City Charter, the Revenue Bond Law or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Division is a party or to which the Division is, or any of the properties or assets of the System are, otherwise subject, which such breach or default could in any way, materially adversely affect the ability of the City to issue the Series 2020 Water System Bonds, secure the payment of the Series 2020 Water System Bonds, or enter into any of the agreements or instruments, or consummate any of the transactions, contemplated in this Purchase Agreement, the Water System Resolution or the Official Statement. No event has occurred and is continuing which constitutes or, with the passage of time or the giving of notice or both, would constitute a default or an event of default by the Division under any agreement or instrument to which the Division is a party, which such default or event of default could, in any way, materially adversely affect the issuance of or security for the Series 2020 Water System Bonds.

(m) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, other than as may be described in the Official Statement, pending or, to the best knowledge of the City, threatened, against or affecting the City or any of the officers of the City in their respective capacities as such (or, to the best knowledge of the City, any basis therefor) wherein an unfavorable decision, ruling or finding would in any way materially adversely affect (i) the issuance, sale or delivery of the Series 2020 Water System Bonds or any of the other transactions contemplated by this Purchase Agreement, the Water System Resolution or the Official Statement, (ii) the validity or enforceability of the Series 2020 Water System Bonds, the Water System Resolution, this Purchase Agreement, the Disclosure Certificate, the Paying Agent Agreement or any other agreement or instrument to which the City is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby, (iii) the collection of the Pledged Revenues or the pledge of or lien on the Pledged Revenues for the payment and security payment of the Series 2020 Water System Bonds or otherwise pursuant to the Water System Resolution, or (iv) the excludability of the interest on the Series 2020 Water System Bonds from federal income taxation under the Internal Revenue Code of 1986, as amended (the "Code").

(n) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, other than as may be described in the Official Statement, pending or, to the best knowledge of the Division, threatened, against or affecting the Division or any of the officers of the Division in their respective capacities as such (or, to the best knowledge of the Division, any basis therefor) wherein an unfavorable decision, ruling or finding would in any way materially adversely affect (i) the issuance, sale or delivery of the Series 2020 Water System Bonds or any of the other transactions contemplated by this Purchase Agreement, the Water System Resolution or the Official Statement, (ii) the validity or enforceability of the Series 2020 Water System Bonds, the Water System Resolution, this Purchase Agreement, the Disclosure Certificate, the Paying Agent Agreement or any other agreement or instrument to which the Division is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby, (iii) the collection of the Pledged Revenues or the pledge of or lien on the Pledged Revenues for the payment and security payment of the Series 2020 Water System Bonds or otherwise pursuant to the Water System Resolution, or (iv) the excludability from federal income taxation of the interest on the Series 2020 Water System Bonds under the Code.

(o) Neither the City nor the Division will take or omit to take any action, which action or omission would adversely affect the excludability from federal income taxation of the interest on the Series 2020 Water System Bonds under the Code.

(p) Neither the City nor the Division has entered, nor will they enter, into any contract or arrangement of any kind which might give rise to any lien or encumbrance on any of the Pledged Revenues or any other assets, properties, funds or interests of the City or the Division pledged or made available under the Water System Resolution for payment of the principal of, premium, if any, or interest on the Series 2020 Water System Bonds that is superior to or on a parity with the lien of the Series 2020 Water System Bonds, except in accordance with the provisions of the Water System Resolution. Nothing herein shall be deemed to apply to the City's general obligation bonds and notes heretofore issued and which may hereafter continue to be issued.

(q) All actions or authorizations incident to or necessary to permit the City and the Division to receive, assign, pledge and use the Pledged Revenues in accordance with, and as provided in, the Water System Resolution have been taken or authorized to be taken, as the case may be.

(r) Any certificate signed by any official of the City or the Division and delivered to the Representative or the Underwriters in connection with the issuance or sale of the Series 2020 Water System Bonds shall be deemed to be a representation and warranty by the City or the Division, as the case may be, to the Underwriters as to the statements made therein.

(s) As disclosed in the Preliminary Official Statement and the Official Statement, the City previously committed to continuing disclosure undertakings with respect to bonds issued by the City and other issuers. During the last five years, due to administrative oversight and the unavailability, on a timely basis, of certain audited financial information, the City failed to timely file its annual continuing disclosure filings in several instances with respect to such bonds.

(t) Other than the Outstanding Water System Revenue Bonds, Series 2014, the Water System Revenue Bonds, Series 2016 and the Water System Revenue Bonds, Series 2017, there are currently no Outstanding Revenue Obligations payable from the General Revenues of the Water System.

The representations and warranties set forth in this Purchase Agreement shall survive the Closing and shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriters and (ii) payment for the Series 2020 Water System Bonds.

#### **SECTION 5. Official Statement; Offering by the Underwriters.**

(a) The City hereby authorizes the distribution by the Underwriters of the Official Statement in connection with the public offering and sale of the Series 2020 Water System Bonds. The Preliminary Official Statement will be "deemed final" by the City and the Division for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC") promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12. The City shall provide, or cause to be provided, to the Representative a final official statement relating to the Series 2020 Water System Bonds dated the date hereof (including the cover page and all appendices, exhibits and reports attached thereto, the "Official Statement") and shall cause copies of the Official Statement, in a quantity specified by the Representative as sufficient to enable the Underwriters to comply with applicable rules of the SEC (including Rule 15c2-12) and the Municipal Securities Rulemaking Board (the "MSRB"), to be available to the Underwriters within seven (7) business days of the execution of this Purchase Agreement (but in no event later than two (2) business days before the Closing Date) and in sufficient time to accompany any confirmation that requests payment from any customer of any of the Underwriters. To the extent required by rules of the SEC or the MSRB, the City hereby authorizes the Representative to file, and the Representative hereby agrees to file, the Official Statement with the MSRB or its designee, including submission to the MSRB's

Electronic Municipal Market Access system (together with any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and information, "EMMA"), within the timeframe required by Rule G-32 of the MSRB. Such Official Statement shall be delivered in the currently required designated format stated in MSRB Rule G-32 and the EMMA Dataport Manual (as hereinafter defined). "EMMA Dataport Manual" means the document(s) designated as such and published by the MSRB from time to time that sets forth the processes and procedures with respect to submissions to be made to the primary market disclosure service of EMMA by underwriters under MSRB Rule G-32. Failure of the printer to provide copies of the Official Statement within seven (7) business days after the execution of this Purchase Agreement by the City and the Division will not constitute a breach of this Purchase Agreement by the City or the Division if such failure is proximately caused by the Underwriters or an agent or representative of the Underwriters.

(b) The City authorizes, consents to and ratifies the use by the Underwriters of the Preliminary Official Statement dated [\_\_\_\_\_, 2020], relating to the Series 2020 Water System Bonds (such Preliminary Official Statement, including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto and any amendments and supplements thereto that may be authorized by the City for use with respect to the Series 2020 Water System Bonds, being herein called the "Preliminary Official Statement") for the purposes of marketing the Series 2020 Water System Bonds in connection with the original public offer, sale and distribution of the Series 2020 Water System Bonds by the Underwriters.

(c) The Underwriters agree to make a bona fide initial public offering of all of the Series 2020 Water System Bonds in conformance with all applicable rules of the MSRB at the initial offering prices or yields set forth in the Official Statement, but reserve the right to change such prices or yields as they may deem necessary or desirable in connection with the offering and sale of the Series 2020 Water System Bonds and to sell the Series 2020 Water System Bonds to dealers (including dealer banks and dealers depositing Series 2020 Water System Bonds into investment trusts) and others at prices lower than the public offering prices as described herein. The Underwriters also reserve the right to: (i) over-allot or effect transactions which stabilize or maintain the market price of the Series 2020 Water System Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

(d) The City and the Division shall take all actions as the City or the Division shall determine reasonable to: (i) provide all information reasonably requested by the Representative necessary or desirable to register the Series 2020 Water System Bonds under, or comply with, any state Blue-Sky laws, provided that in connection therewith neither the City nor the Division shall be required to file a general or special consent to service of process in any jurisdiction, spend any money, qualify to do business in any jurisdiction or register as a dealer or broker in any jurisdiction; and (ii) ensure that the Preliminary Official Statement and the Official Statement at all times during the initial offering and distribution of the Series 2020 Water System Bonds do not contain any untrue statement of a material fact and do not omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) From the date hereof until the date which is twenty-five (25) days following the "end of the underwriting period", if any event shall occur that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City and the Division (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative and (ii) shall notify the Representative promptly if any event shall occur, or information comes to the attention of the City or the Division, that it is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City shall prepare and furnish to the Representative, at the City's expense such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the City and the Representative, as the Representative may reasonably request. If such notification shall be given subsequent to the Closing Date, the City also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents the Representative may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement. Any such amendments or supplements that may be authorized under the foregoing provision for use with respect to the Series 2020 Water System Bonds are hereinafter included within the term "Official Statement."

Unless the Representative otherwise notifies the City in writing, the Underwriters agree that "end of the underwriting period" is used as defined in Rule 15c2-12 and shall occur on the later of (i) the Closing Date or (ii) when the Underwriters no longer retain an unsold balance of the Series 2020 Water System Bonds; unless otherwise advised in writing by the Representative on or prior to the Closing Date, or otherwise agreed to by the City and the Representative, the City may assume that the end of the underwriting period is the Closing Date. The Representative shall, at its own expense, submit the Official Statement to EMMA within the timeframe required by Rule G-32 of the MSRB. The Representative will comply with the provisions of MSRB Rule G-32 as in effect on the date hereof, including without limitation with respect to the submission of Form G-32 and the Official Statement, and will notify the City of the date on which the Official Statement has been filed with EMMA.

(f) If the Official Statement is supplemented or amended pursuant to subsection (e) of this Section 5, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the date of Closing, the City and the Division will take all steps necessary to ensure that the Official Statement, as supplemented or amended, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(g) The Preliminary Official Statement and the Official Statement may be delivered in printed or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed upon by the City or the Division and the Underwriters. If the Preliminary Official

Statement or the Official Statement is prepared for distribution in electronic form, the City and the Division hereby confirm that it does not object to distribution of the Preliminary Official Statement or the Official Statement in electronic form.

**SECTION 6. Establishment of Issue Price.**

(a) The Representative, on behalf of the Underwriters, agrees to assist the City and the Division in establishing the issue price of the Series 2020 Water System Bonds and shall execute and deliver to the City at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **EXHIBIT F**, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the City and Co-Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2020 Water System Bonds.

(b) [Except as otherwise set forth in **Schedule 1** attached hereto, if any,] the City and the Division will treat the first price at which 10% of each maturity of the Series 2020 Water System Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Representative shall report to the City and the Division the price or prices at which the Underwriters have sold to the public each maturity of the Series 2020 Water System Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Series 2020 Water System Bonds, the Representative agrees to promptly report to the City and the Division the prices at which Series 2020 Water System Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Series 2020 Water System Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Series 2020 Water System Bonds of that maturity, provided that, the Underwriters’ reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the City, the Division or bond counsel.] For purposes of this Section, if Series 2020 Water System Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2020 Water System Bonds.

(c) The Representative confirms that the Underwriters have offered the Series 2020 Water System Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in **Schedule 1** attached hereto, if any, except as otherwise set forth therein. **Schedule 1**, if any, also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Series 2020 Water System Bonds for which the 10% test has not been satisfied and for which the City and the Division and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the City and the Division to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2020 Water System Bonds, the Underwriters will neither offer nor sell unsold Series 2020 Water System Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and

ending on the earlier of the following:

(1) The close of the fifth (5<sup>th</sup>) business day after that sale date;

or

(2) The date on which the Underwriters have sold at least 10% of that maturity of the Series 2020 Water System Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the City and the Division promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the Series 2020 Water System Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(i) Any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2020 Water System Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Series 2020 Water System Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2020 Water System Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Series 2020 Water System Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative and (B) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires,

(B) to promptly notify the Representative of any sales of Series 2020 Water System Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Securities to the public (each such term being used as defined below); and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) Any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2020 Water System Bonds to the public, together with the related pricing wires, contains or will contain

language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2020 Water System Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2020 Water System Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2020 Water System Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Series 2020 Water System Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

The City and the Division acknowledge that, in making the representations set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Series 2020 Water System Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020 Water System Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2020 Water System Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2020 Water System Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020 Water System Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that any Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2020 Water System Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2020 Water System Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020 Water System Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City and the Division further acknowledge that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Series 2020 Water System Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020 Water System Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the hold-the-offering-price rule, if applicable, to the Series 2020 Water System Bonds.

(e) The Underwriters acknowledge that sales of any Series 2020 Water System Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series

2020 Water System Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City and the Division (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020 Water System Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2020 Water System Bonds to the public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2020 Water System Bonds to the public),

(iii) A purchaser of any of the Series 2020 Water System Bonds is a "related party" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership by their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Agreement by all parties.

**SECTION 7. Issuance, Sale and Purchase of Series the 2020 Water System Bonds.**

On the basis of the representations and warranties contained herein and the other agreements referred to herein and subject to the terms and conditions set forth herein, the City agrees to issue and sell to the Underwriters and the Underwriters agree to purchase from the City all (but not less than all) of the Series 2020 Water System Bonds at an aggregate price of [ \$ \_\_\_\_\_ ], which represents the par amount of the Series 2020 Water System Bonds of [ \$ \_\_\_\_\_ ], plus a bond premium in the amount of [ \$ \_\_\_\_\_ ], less an underwriting discount of [ \$ \_\_\_\_\_ ].

Having approved the terms of such issuance and sale, the City hereby agrees to sell the Series 2020 Water System Bonds to the Underwriters, subject to the terms of this Purchase Agreement. The delivery and sale of the Series 2020 Water System Bonds (the "Closing") will be at such place in Memphis, Tennessee, as the City or the Division may designate, by 1:00 p.m.,

Central Daylight Time, on [September \_\_\_\_, 2020], or at such other time or such other place or on such other date as the City and the Representative may agree (the "Closing Date"). On the Closing Date, (i) the City will deliver the Series 2020 Water System Bonds to the Underwriters, in definitive form and duly executed through the FAST system of registration with The Depository Trust Company, New York, New York ("DTC"), at such place in Memphis, Tennessee, as the Representative may designate or at such other place as the City and the Representative may agree upon, (ii) the City will deliver to the Representative in Memphis, Tennessee, the closing documents referenced in Section 8 hereof, and (iii) the Underwriters will accept such delivery and pay the aggregate purchase price as set forth in this Section 7 by wire transfer to the Division, on behalf of the City, of immediately available federal funds, subject to the provisions of Section 8 hereof.

A single typewritten bond for each maturity of each series of the Series 2020 Water System Bonds shall be delivered by the City, duly executed and authenticated, with CUSIP identification numbers thereon, registered in the name of Cede & Co., as nominee of DTC.

**SECTION 8. Conditions.** The Underwriters' obligations hereunder are subject to:

(a) The accuracy on the Closing Date, as if made as of such date, of all representations and warranties of the City and the Division contained in this Purchase Agreement, the Water System Resolutions, the Preliminary Official Statement and the Official Statement;

(b) The due performance by the City and the Division of their obligations hereunder and under the Water System Resolution;

(c) At the time of the Closing, the Water System Resolution is in full force and effect, without amendment, modification or supplement except to the extent agreed upon by the Representative;

(d) All official action of the City relating to this Purchase Agreement, the Series 2020 Water System Bonds, the Disclosure Certificate and the Water System Resolution being, at the time of the Closing, in full force and effect, without amendment, modification or supplement except to the extent agreed upon by the Representative;

(e) The delivery of the Bond Series Certificate with respect to the Series 2020 Water System Bonds required under the Fourth Supplemental Resolution setting forth terms of the Series 2020 Water System Bonds which are not inconsistent with this Purchase Agreement;

(f) There being no material change in the condition (financial or otherwise) of the City or the Division between the most recent dates for which information is given in the Official Statement and the Closing Date, other than as reflected in or contemplated by the Official Statement, and there being on the Closing Date no material transactions or obligations (not in the ordinary course of business) entered into by the City or the Division subsequent to the date of the Official Statement other than as reflected in or contemplated by the Official Statement; and

(g) Delivery of all documentation required by Section 9 hereof.

**SECTION 9. Closing Documentation.** There shall be delivered to the Underwriters at Closing the following, in form and substance reasonably satisfactory to: the Representative; Butler Snow, LLP, Memphis, Tennessee, and The Wade Law Firm, PLLC, Memphis, Tennessee, as co-bond counsel (together, "Co-Bond Counsel"); and Carpenter Law, PLLC, Memphis, Tennessee ("Underwriters' Counsel"):

(a) The Official Statement executed on behalf of the City by the duly authorized officials or representatives thereof;

(b) A certificate of the Division regarding this Purchase Agreement;

(c) A certificate of the City regarding this Purchase Agreement;

(d) A certificate from the City and the Division with respect to arbitrage and other tax matters in a form acceptable to Co-Bond Counsel;

(e) Certified copies of the Master Water Resolution and the Fourth Supplemental Resolution;

(f) A specimen Series 2020 Water System Bond;

(g) The unqualified approving opinion of Co-Bond Counsel, in substantially the form thereof set forth in the Official Statement, either addressed to the Underwriters or accompanied by a letter from Co-Bond Counsel to the Underwriters stating that the Underwriters may rely upon such opinion;

(h) The supplemental opinion of Co-Bond Counsel, addressed to the Representative, in substantially the form attached as **EXHIBIT B** hereto;

(i) The opinion of the Chief Legal Counsel/City Attorney, addressed to the Underwriters, in substantially the form attached as **EXHIBIT C** hereto;

(j) The opinion of General Counsel to the Division, addressed to the Underwriters, in substantially the form attached as **EXHIBIT D** hereto;

(k) The opinion of Underwriters' Counsel in substantially the form attached as **EXHIBIT E** hereto;

(l) Verification that the Division's Blanket Letter of Representation to the Depository Trust Company is in effect with respect to the Series 2020 Water System Bonds;

(m) Written evidence that Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") have assigned ratings of at least ["\_\_\_"] and ["\_\_\_"], respectively, to the Series 2020 Water System Bonds;

(n) A fully executed copy of the Disclosure Certificate; and

(o) Such additional legal opinions, certificates, proceedings, instruments and other documents the Underwriters, Underwriters' Counsel or Co-Bond Counsel may reasonably request to evidence compliance by the City and the Division with applicable legal requirements.

**SECTION 10. Termination.** The Representative may terminate this Purchase Agreement at any time prior to the Closing Date by notice to the other parties hereto if, between the date hereof and the Closing Date:

(a) Legislation shall be enacted by the Congress of the United States, or a bill introduced (by amendment or otherwise) or favorably reported or passed by either the House of Representatives or the Senate of the Congress of the United States or any committee of the House or Senate, or a conference committee of such House and Senate makes a report (or takes any other action), or a decision by a court of the United States or the Tax Court of the United States shall be rendered, or a ruling, regulation or fiscal action shall be issued or proposed by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency with respect to or having the purpose or effect of changing directly or indirectly the federal income tax consequences of interest on the Series 2020 Water System Bonds in the hands of the holders thereof (including imposition of a not previously existing minimum federal tax which includes tax-exempt interest in the calculation of such tax), which, in the reasonable opinion of the Underwriters, has, or will, materially adversely affect the market price or the marketability of the Series 2020 Water System Bonds.

(b) Any legislation, rule or regulation shall be introduced in, or be enacted by any department or agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the reasonable opinion of the Underwriters, materially adversely affects the market for the Series 2020 Water System Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2020 Water System Bonds to be purchased by the Underwriters.

(c) Any event shall have occurred or condition shall exist that, in the reasonable opinion of the Underwriter, makes untrue or incorrect in any material respect as of the Closing Date any material statement of information contained in the Official Statement or that is not reflected in the Official Statement but should be reflected therein as of such time in connection with the offering and sale of the Series 2020 Water System Bonds in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading in any material respect as of such time including, without limitation, events or conditions relating to the business and affairs of the City; or

(d) There shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, financial or otherwise, affecting the effective operation of the government of, or the financial community in, the United States, including a general suspension of trading on any national securities exchange, which materially adversely affects the market for the Series 2020 Water System Bonds or the sale of the Series 2020 Water System Bonds, at the contemplated offering prices, by the Underwriters, in the reasonable opinion of the Underwriters.

(e) The marketability of the Series 2020 Water System Bonds, the market price thereof or the sale of the Series 2020 Water System Bonds at the contemplated offering prices, in the reasonable opinion of the Underwriters, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets, making it impracticable for the Underwriters to market the Series 2020 Water System Bonds or to enforce contracts for the sale of the Series 2020 Water System Bonds (it being agreed by the parties hereto that no such event, occurrence or condition exists as of the date hereof).

(f) A general banking moratorium shall have been declared by the United States, New York or State authorities which in the reasonable opinion of the Underwriters, materially adversely affects the market for the Series 2020 Water System Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2020 Water System Bonds to be purchased by the Underwriters.

(g) Any national securities exchange, or any governmental authority, shall impose, as to the Series 2020 Water System Bonds or obligations of the general character of the Series 2020 Water System Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters.

(h) There shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to the Series 2020 Water System Bonds or to any of the Water Division's obligations, which, in the reasonable opinion of the Underwriters, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2020 Water System Bonds to be purchased by the Underwriters; or any proceeding shall be pending or threatened by the Securities and Exchange Commission against the City.

(i) Any stop order or legislation shall have been enacted or a bill shall have been reported out of a legislative committee, any decision by a court of the United States shall have been rendered or any stop order, ruling, regulation or official statement by or on behalf of the SEC or other governmental agency shall have been made to the effect that (i) obligations of the general character of the Series 2020 Water System Bonds or the Water System Bond Resolution, in the reasonable opinion of counsel to the Underwriters, are not exempt from registration, qualification or other requirements of the Securities Act of 1933, as amended (the "Securities Act"), or the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or (ii) the issuance, offering or sale of the Series 2020 Water System Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Series 2020 Water System Bonds, is or would be in violation of any provision of the federal securities laws on the Closing Date, including the Securities Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the Trust Indenture Act; or

(j) Any litigation (not already disclosed) shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2020 Water System Bonds or in any way contesting or questioning any authority for or the validity of the Series 2020 Water System

Bonds or the money or revenues pledged to the payment thereof or the Water System Bond Resolution or any of the proceedings of the City or the Division taken with respect to the issuance and sale thereof.

**SECTION 11. Expenses.**

(a) The City shall pay, or cause to be paid, all expenses and costs of the City and the Division incident to the performance of their obligations in connection with the authorization, issuance and sale of the Series 2020 Water System Bonds to the Underwriters, including but not limited to the costs of pre-sale advertising of the Series 2020 Water System Bonds; printing or reproducing the Preliminary Official Statement, the Official Statement, the Water System Resolution and all ancillary papers; fees and expenses of consultants, including the fees and expenses of Co-Bond Counsel, Stephens Inc. and ComCap Partners, co-municipal advisors to the Division, the independent accountants of the Division, rating agencies, the Paying Agent, the Underwriters, Underwriters' Counsel and any other engineers, accountants, experts, consultants or advisors retained by the City or the Division.

(b) The Underwriters shall pay all advertising expenses in connection with the public offering of the Series 2020 Water System Bonds.

(c) If this Purchase Agreement shall be terminated by the Underwriters because of any failure or refusal on the part of the City or the Division to comply with the terms or to fulfill any of the conditions hereof or if, for any reason, the City or the Division shall be unable to perform its obligations under this Purchase Agreement, the City or the Division shall reimburse the Underwriters for all out-of-pocket expenses reasonably incurred by the Underwriters in connection with this Purchase Agreement or the offering contemplated hereunder.

**SECTION 12. Finders.** The City, the Division and the Underwriters each represents and warrants that no finder or other agent has been employed or consulted by it in connection with this transaction.

**SECTION 13. No Fiduciary Duty Provisions.** The City and the Division acknowledge and agree that: (i) the purchase and sale of the Series 2020 Water System Bonds pursuant to this Purchase Agreement is an arm's length commercial transaction among the City, the Division and the Underwriters; (ii) in connection with such transaction, including the process leading thereto, each of the Underwriters is acting solely as a principal and not as an agent or a fiduciary of the City or the Division; (iii) the Underwriters have neither assumed an advisory or fiduciary responsibility in favor of the City or the Division with respect to the offering of the Series 2020 Water System Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of the Underwriters, have advised or is currently advising the City or the Division on other matters) nor has it assumed any other obligation to the City or the Division except the obligations expressly set forth in this Purchase Agreement; (iv) the Underwriters have financial and other interests that differ from those of the City or the Division; and (v) the City or the Division have consulted with its own legal and financial advisors to the extent they deemed appropriate in connection with the offering of the Series 2020 Water System Bonds.

**SECTION 14. Notices.** Any notice or other communication under this Purchase Agreement may be given by delivering the same in writing to the City, at the address of the City set forth above to, the attention of Shirley Ford, Chief Financial Officer, 125 North Main Street, Room 368, Memphis, Tennessee 38103; to the Division at the address of the Division set forth above, to the attention of Dana Jeanes, Senior Vice-President, Chief Financial Officer, Chief Administrative Officer and Secretary-Treasurer; and to the Underwriters as follows: Raymond James & Associates, Inc., 50 North Front Street, 16<sup>th</sup> Floor, Memphis, Tennessee 38103 (Attention: Mr. Chad Myers, Senior Vice-President).

**SECTION 15. Governing Law.** This Purchase Agreement shall be governed by the applicable laws of the State of Tennessee.

**SECTION 16. Counterparts.** This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

**SECTION 17. Effective Date and Time.** This Purchase Agreement shall become effective upon the date and time of acceptance hereof by the City and the Division.

**SECTION 18. Severability.** If any provision of this Purchase Agreement shall be held or deemed to be, or shall in fact be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Purchase Agreement invalid, inoperative or unenforceable to any extent whatsoever.

**SECTION 19. Miscellaneous.** This Purchase Agreement is made solely for the benefit of, and is binding on each of, the parties and their respective successors and assigns. No party to this Purchase Agreement may assign its interest herein. This Purchase Agreement is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by all of the parties hereto.

*[Signatures on Following Page]*

*[Signature Page to the Bond Purchase Agreement]*

**(Memphis Light, Gas and Water Division  
Water System Revenue Bonds, Series 2020)**

**RAYMOND JAMES & ASSOCIATES, INC., as  
Representative of the Underwriters**

By: \_\_\_\_\_  
**Chad Myers  
Senior Vice-President**

Accepted:

**CITY OF MEMPHIS, TENNESSEE**

By: \_\_\_\_\_  
**Jim Strickland  
Mayor**

Acknowledged:

**MEMPHIS LIGHT, GAS AND WATER DIVISION,  
on behalf of the City of Memphis, Tennessee**

By: \_\_\_\_\_  
**Jarl T. Young  
President and Chief Executive Officer**

**EXHIBIT A**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,  
PRICES, YIELDS**

**\$ \_\_\_\_\_  
WATER SYSTEM REVENUE BONDS  
SERIES 2020**

<b><u>Maturity</u></b> <b><u>(December 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Price</u></b>	<b><u>Yield</u></b>
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**EXHIBIT B**

[FORM OF SUPPLEMENTAL OPINION OF CO-BOND COUNSEL]

**EXHIBIT C**

[FORM OF OPINION OF CHIEF LEGAL COUNSEL TO THE CITY]

**EXHIBIT D**

[FORM OF OPINION OF GENERAL COUNSEL TO THE DIVISION]

**EXHIBIT E**

[FORM OF OPINION OF UNDERWRITERS' COUNSEL]

## EXHIBIT F

### [FORM OF ISSUE PRICE CERTIFICATE]

The undersigned, on behalf of Raymond James & Associates, Inc. (“the “Representative”), for itself and on behalf of Duncan-Williams Inc., FHN Financial Capital Markets and Siebert Williams Shank & Co., LLC (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

**Sale of the General Rule Maturities.** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least ten percent (10%) of such Maturity was sold to the Public is the respective price listed in **Schedule A**.

**Initial Offering Price of the Hold-the-Offering-Price Maturities.**

The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in **Schedule A** (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as **Schedule B**.

As set forth in the Bond Purchase Agreement, the Representative and the Underwriting Group have agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

**Defined Terms.**

“*General Rule Maturities*” means those Maturities of the Bonds listed in **Schedule A** hereto as the “General Rule Maturities.”

“*Hold-the-Offering-Price Maturities*” means those Maturities of the Bonds listed in **Schedule A** hereto as the “Hold-the-Offering-Price Maturities.”

“*Holding Period*” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth (5<sup>th</sup>) Business Day after the \_\_\_ day of September 2020, or (ii) the date on which the Representative and the Underwriting Group have sold at least ten percent (10%) of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

“*Issuer*” means City of Memphis, Tennessee, a legal entity that develops, registers and sells securities to finance its operations and are legally responsible for the obligations of the issue and for reporting financial conditions, material developments and any other operational activities as required by the regulations of Tennessee.

“*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

“*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent (50%) common ownership, directly or indirectly.

“*Sale Date*” means the first (1<sup>st</sup>) day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is September \_\_, 2020.

“*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

*Yield.*

The yield on the Bonds has been calculated to be not less than \_\_\_\_%.

*Weighted Average Maturity.*

The weighted average maturity of the Bonds has been calculated to be \_\_\_\_ years.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City of Memphis, Tennessee and the Division with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by The Wade Law Firm, PLLC, and Butler Snow LLP, Co-Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the Issuer and the Borrower from time to time relating to the Bonds.

[Signature on Following Page]

*[Signature Page for Issue Price Certificate]*

**RAYMOND JAMES & ASSOCIATES, INC.,** as  
Representative of the Underwriters

By: \_\_\_\_\_  
**Chad Myers**  
**Senior Vice-President**

Dated: September \_\_, 2020



# City Council Item Routing Sheet

**Division:** City Council    **Committee:** MLGW    **Hearing Date:** July 21, 2020

- Ordinance                       Resolution                       Grant Acceptance  
 Budget Amendment               Commendation                       Other: [Click here to enter text.](#)

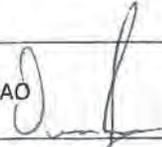
<p><b>Item Description:</b> Resolution approving the issuance of, and recommending to and requesting that the City Council issue and sell, through negotiated sale, not to exceed \$70,000,000 principal amount of, Gas System Revenue Bonds, Series 2020, pursuant to the Gas System Revenue Obligations Master Resolution, adopted by the Board on June 1, 2016 and by the City Council on July 5, 2016, as supplemented by the Third Supplemental Resolution.</p>	
<p><b>Recommended Council Action:</b>    Approve the resolution.</p>	
<p><b>Describe previous action taken by any other entity (i.e. board, commission, task force, council committee, etc.) and date of any action taken:</b> Approved by the MLGW Board of Commissioners on June 30, 2020.</p>	
<p><b>Does this item require city expenditure? Yes</b></p> <p>\$Click here to enter text.</p> <p>\$Click here to enter text.</p>	<p><b>Source and Amount of Funds:</b></p>

### Approvals

Director \_\_\_\_\_ Date \_\_\_\_\_

Division Chief \_\_\_\_\_ Date \_\_\_\_\_

Budget Manager \_\_\_\_\_ Date \_\_\_\_\_

MLGW SVP, CFO & CAO  
Secretary-Treasurer  Date 6/30/20

**Chief Operating Officer**

\_\_\_\_\_ Date \_\_\_\_\_

**Council Committee Chair**

\_\_\_\_\_ Date \_\_\_\_\_



## Memphis City Council Summary Sheet

- 1. Description of the Item (Resolution, Ordinance, etc.)** Resolution approving the issuance of, and recommending to and requesting that the City Council issue and sell, through negotiated sale, not to exceed \$70,000,000 principal amount of, Gas System Revenue Bonds, Series 2020, pursuant to the Gas System Revenue Obligations Master Resolution, adopted by the Board on June 1, 2016 and by the City Council on July 5, 2016, as supplemented by the Third Supplemental Resolution.
- 2. Initiating Party (e.g. Public Works, at request of City Council, etc.)**  
Memphis Light, Gas and Water Division
- 3. State whether this is a change to an existing ordinance or resolution, if applicable.**  
Not applicable.
- 4. State whether this requires a new contract, or amends an existing contract, if applicable.**  
Not applicable.
- 5. State whether this requires an expenditure of funds/requires a budget amendment.**  
Not applicable.

**EXCERPT**  
from  
**MINUTES OF MEETING**  
of  
**BOARD OF LIGHT, GAS AND WATER COMMISSIONERS**  
**CITY OF MEMPHIS**  
held  
June 30, 2020

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The Secretary-Treasurer recommended that the Board approve the issuance of, and recommend to and request that the City Council issue and sell, through negotiated sale, not to exceed \$70,000,000 principal amount of Gas System Revenue Bonds, Series 2020 (the "Series 2020 Bonds"), pursuant to the Gas System Revenue Obligations Master Resolution, adopted by the Board on June 1, 2016, and by the City Council on July 5, 2016 (the "Master Resolution"), as supplemented by the Third Supplemental Resolution, captioned as follows, in substantially the form attached to this resolution as Exhibit "A" (the "Supplemental Resolution"):

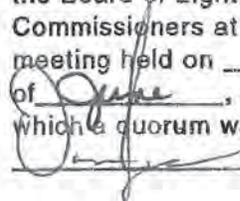
A THIRD SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE GAS SYSTEM REVENUE OBLIGATIONS MASTER RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED SEVENTY MILLION DOLLARS (\$70,000,000) PRINCIPAL AMOUNT OF GAS SYSTEM REVENUE BONDS, SERIES 2020; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; APPROVING THE SALE THEREOF BY NEGOTIATION; AUTHORIZING THE PREPARATION AND EXECUTION OF A BOND PURCHASE AGREEMENT AND PAYING AGENT AGREEMENT; AUTHORIZING THE PREPARATION, EXECUTION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT; APPOINTING A BOND REGISTRAR AND PAYING AGENT; AND AUTHORIZING OFFICERS OF THE CITY TO TAKE ALL NECESSARY STEPS TO ACCOMPLISH THE SALE OF THE BONDS.

**NOW THEREFORE, BE IT RESOLVED, THAT**, the Board of Light, Gas & Water Commissioners hereby approves the issuance of the Series 2020 Bonds, adopts the Supplemental Resolution and recommends the forms, terms and conditions set forth therein to the Council of the City of Memphis for adoption, and to the

extent required by the City's Charter and applicable law, requests that the City Council approve, issue and sell the Series 2020 Bonds.

BE, IT FURTHER RESOLVED THAT, the President and Secretary-Treasurer are hereby authorized to enter into, execute and/or deliver, and to recommend to the City Council for adoption, any clarifying amendments to the Master Resolution, or any amendments to the Master Resolution requested by any nationally recognized credit agencies that are providing ratings for the Series 2020 Bonds, and the President and Secretary-Treasurer are hereby authorized to enter into, execute and deliver the Bond Purchase Agreement, substantially in the form attached to this Resolution with such changes as they, in their discretion with the advice of Counsel, deem necessary and appropriate, and to prepare, execute and distribute the Preliminary Official Statement and the Official Statement as described in the Supplemental Resolution, and to enter into such other agreements and documents and take such other actions as they in their discretion, deem to be necessary and appropriate in order to consummate the transactions contemplated hereby.

I hereby certify that the foregoing is a true copy of a resolution accepted by the Board of Light, Gas and Water Commissioners at a regular-~~special~~ meeting held on 30<sup>th</sup> day of June, 2020, at which a quorum was present.

  
Secretary-Treasurer



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**CITY OF MEMPHIS, TENNESSEE**

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**THIRD SUPPLEMENTAL RESOLUTION**

**RELATING TO**

**GAS SYSTEM REVENUE BONDS  
SERIES 2020**

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**Adopted [\_\_\_\_], 2020  
By the Board of Commissioners of the  
Memphis Light, Gas and Water Division**

**Adopted [\_\_\_\_], 2020  
By the City Council of the  
City of Memphis, Tennessee**

### THIRD SUPPLEMENTAL RESOLUTION

**THIRD SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE GAS SYSTEM REVENUE OBLIGATIONS MASTER RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED SEVENTY MILLION DOLLARS (\$70,000,000) PRINCIPAL AMOUNT OF GAS SYSTEM REVENUE BONDS, SERIES 2020; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; APPROVING THE SALE THEREOF BY NEGOTIATION; AUTHORIZING THE PREPARATION AND EXECUTION OF A BOND PURCHASE AGREEMENT AND PAYING AGENT AGREEMENT; AUTHORIZING THE PREPARATION, EXECUTION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT; APPOINTING A BOND REGISTRAR AND PAYING AGENT; AND AUTHORIZING OFFICERS OF THE CITY TO TAKE ALL NECESSARY STEPS TO ACCOMPLISH THE SALE OF THE BONDS**

**WHEREAS**, the City Council (the "Council") of the City of Memphis, Tennessee (the "City"), by resolution adopted on July 5, 2016, and the Board of Light, Gas and Water Commissioners (the "Board") of the Memphis Light, Gas and Water Division (the "Division"), by resolution adopted on June 1, 2016 (the "Master Resolution"), authorized gas system revenue obligations to finance the construction, extension, improvements and equipping of the gas system and facilities of the City operated by the Division (collectively, the "System", as more fully defined in the Master Resolution), and to refinance certain outstanding obligations of the City the proceeds of which were used to finance the construction, extension, improvements, and equipping of the System and/or refinance certain outstanding obligations of the City issued to finance improvements to the System; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a First Supplemental Resolution adopted by the City on July 5, 2016, and adopted by the Division on June 1, 2016, Forty Million Dollars (\$40,000,000) aggregate principal amount of its Gas System Revenue Bonds, Series 2016 (the "Series 2016 Bonds"), which such Series 2016 Bonds are currently outstanding in the principal amount of \$36,040,000, for the purpose of financing the Costs of acquisition, expansion and/or improvements to the System; and

**WHEREAS**, the City has previously issued pursuant to the Master Resolution, as supplemented by a Second Supplemental Resolution adopted by the City on August 22, 2017, and adopted by the Division on July 19, 2017, Forty Million Dollars (\$40,000,000) aggregate principal amount of its Gas System Revenue Bonds, Series 2017 (the "Series 2017 Bonds"), which such Series 2017 Bonds are currently outstanding in the principal amount of \$37,460,000, for the purpose of financing the Costs of acquisition, expansion and/or improvements to the System; and

**WHEREAS**, the Master Resolution requires that any supplemental resolution providing for the issuance of Revenue Obligations pursuant thereto specify certain matters with respect to such Revenue Obligations; and

**WHEREAS**, the Board has recommended to and requested that the Council issue pursuant to the Master Resolution, as supplemented by this Third Supplemental Resolution, not to exceed Seventy Million Dollars (\$70,000,000) in principal amount of Gas System Revenue Bonds, Series 2020 (the "Series 2020 Bonds"), to finance the Costs of acquisition, expansion and/or improvements to the System, including the reimbursement of certain of such Costs incurred prior to the issuance of the Series 2020 Bonds (the "Series 2020 Project"), and to pay the costs of issuance and sale of the Series 2020 Bonds; and

**WHEREAS**, the issuance of the Series 2020 Bonds shall be accomplished in compliance with the Division's Debt Management Policy; and

**WHEREAS**, the principal of and interest on the Series 2020 Bonds shall be payable solely from and be secured by a pledge of the Pledged Revenues (as defined in the Master Resolution) consisting of a Senior Lien on the General Revenues and the funds and accounts established for the Series 2020 Bonds which is on a parity and equality of lien with respect to such Pledged Revenues with any Outstanding Senior Lien Revenue Obligations and any additional Senior Lien Revenue Obligations hereafter issued and senior in lien and right of payment to any Outstanding Subordinate Lien Obligations or any Subordinate Lien Obligations issued in the future; and

**WHEREAS**, as of the date hereof, the Outstanding Series 2016 Bonds and the Outstanding Series 2017 Bonds are the only Outstanding Revenue Obligations under the Resolution, and the Outstanding Series 2016 Bonds and Outstanding Series 2017 Bonds constitute Senior Lien Revenue Obligations under the Resolution; and

**WHEREAS**, for the purposes of authorizing the negotiated sale of the Series 2020 Bonds, the pledging of the Pledged Revenues for the payment of the principal of and interest on the Series 2020 Bonds, the preparation, execution and delivery of a bond purchase agreement and a paying agent agreement, the preparation, execution and distribution of a preliminary and final official statement, the appointment of a paying agent and bond registrar, and authorizing the execution of such documents and certificates as shall be necessary to consummate the sale and delivery of the Series 2020 Bonds, the City Council of the City of Memphis, Tennessee, adopts this Third Supplemental Resolution.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE AS FOLLOWS:**

**ARTICLE I  
DEFINITIONS AND FINDINGS**

**SECTION 1.01 Third Supplemental Resolution; Definitions.**

This Third Supplemental Resolution is adopted pursuant to and in accordance with Section 2.01 of the Master Resolution. The definitions in the Master Resolution and all terms, covenants, restrictions and provisions of the Master Resolution shall be applicable to the Series 2020 Bonds authorized by this Third Supplemental Resolution and the proceeds thereof, except as otherwise expressly provided herein. The Master Resolution, as previously supplemented and as supplemented by this Third Supplemental Resolution (hereinafter sometimes referred to collectively as the "Resolution"), shall be read, taken and construed as one and the same instrument. All terms as defined in the Master Resolution shall have the same meaning herein, unless the context otherwise indicates.

**SECTION 1.02 Special Definitions.**

Except as provided by this Third Supplemental Resolution, all terms which are defined in Section 1.01 of the Master Resolution shall have the same meanings in this Third Supplemental Resolution as such terms are given in said Section 1.01 of the Master Resolution. As used in this Third Supplemental Resolution, the following words and phrases shall have the meanings hereinafter set forth unless the context shall clearly indicate that another meaning is intended.

**"Beneficial Owner"** has the meaning specified in Section 2.01(i) hereof.

**"Bond Purchase Agreement"** means a Bond Purchase Agreement, dated as of the sale of the Series 2020 Bonds, entered into by and among the City, the Division and the Underwriters, in the form of the document attached hereto and incorporated herein by reference as Exhibit A, subject to such changes therein as shall be permitted by Section 4.01 hereof.

**"Bond Registrar"** means Regions Bank, Nashville, Tennessee, appointed as Bond Registrar for the Series 2020 Bonds under Section 2.01(d) hereof and approved under Section 4.01(d) hereof, or any successor designated by the Council.

**"Bond Series Certificate"** means the certificate executed and delivered by the Mayor of the City and the President or Secretary-Treasurer of the Division, fixing terms, conditions and other details of the Series 2020 Bonds, including the terms and conditions for redemption of the Series 2020 Bonds, if any, within the parameters established under this Third Supplemental Resolution.

**"Book-Entry Form"** or **"Book-Entry System"** means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the City or the Bond Registrar/Paying Agent, constitute the record that identifies and records the transfer of, the beneficial "book-entry" interests in those bonds.

**“Co-Bond Counsel”** means The Wade Law Firm, PLLC, Butler Snow LLP or any other attorney at law or a firm of attorneys, designated by the City, of nationally recognized standing in matters pertaining to the excludability from gross income for federal income tax purposes of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

**“Code”** means the Internal Revenue Code of 1986, as amended and any regulations thereunder.

**“Defaulted Interest”** has the meaning specified in Section 2.01(f) hereof.

**“Depository”** means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC.

**“Division”** means the Board of Light, Gas and Water Commissioners operating the Memphis Light, Gas and Water Division of the City, established pursuant to Private Acts of Tennessee, 1939, Chapter 381, as amended, and any board, body, agency or instrumentality of the City which shall hereafter succeed to the powers, duties and functions of said Board.

**“DTC”** means The Depository Trust Company, New York, New York, or its nominee, or its successors and assigns, or any other depository performing similar functions under the Resolution.

**“DTC Participant(s)”** means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System.

**“Interest Payment Date”** means the first day of June and December of each year the Series 2020 Bonds are outstanding, commencing December 1, 2020, or such other dates as shall be established pursuant to Section 4.01 hereof.

**“Master Resolution”** means the Gas System Revenue Obligations Master Resolution adopted by the City on July 5, 2016, and by the Board on June 1, 2016, as amended from time to time, authorizing the issuance of gas system revenue obligations pursuant to supplemental resolutions.

**“Paying Agent Agreement”** shall mean the Paying Agent Agreement dated as of the date of the Series 2020 Bonds, to be entered into by and between the City and the Bond Registrar/Paying Agent.

**“Paying Agent”** means Regions Bank, Nashville, Tennessee, appointed as Paying Agent for the Series 2020 Bonds under Section 2.01(d) hereof and approved under Section 4.01(d) hereof, or any successor designated by the Council.

**“Principal Payment Date”** means, with respect to the Series 2020 Bonds, the first day of December in the years 2021 through and including 2050, or on such other dates as shall be established pursuant to Section 4.01 hereof.

“**Record Date**” means with respect to the Series 2020 Bonds, the fifteenth (15<sup>th</sup>) day of the month preceding each Interest Payment Date, whether or not such date is a business day.

“**Rule 15c2-12**” has the meaning specified in Section 4.04 hereof.

“**Series 2020 Bonds**” means not to exceed \$70,000,000 Gas System Revenue Bonds, Series 2020, of the City, to be dated the date of issuance, or such other date and series designation shall be established pursuant to Section 4.01 hereof.

“**Series 2020 Project**” has the meaning assigned to such term in the recitals to this Third Supplemental Resolution.

“**Special Record Date**” has the meaning specified in Section 2.01(f) hereof.

“**Third Supplemental Resolution**” means this resolution adopted by the Council supplementing the Master Resolution and authorizing the issuance of the Series 2020 Bonds.

“**Underwriter(s)**” means Raymond James & Associates, Inc., Memphis, Tennessee and any other underwriters selected pursuant to Section 4.01 hereof.

### **SECTION 1.03 Findings of the Council.**

It is hereby found and determined by the Council as follows:

It is advantageous for the City to issue the Series 2020 Bonds for the purpose of (a) financing the Costs of the Series 2020 Project and (b) paying the costs of issuance and sale of the Series 2020 Bonds.

## **ARTICLE II AUTHORIZATION AND TERMS OF SERIES 2020 BONDS**

### **SECTION 2.01 Authorization and Terms of the Series 2020 Bonds.**

(a) Pursuant to the provisions of Chapter 34, Title 7, Tennessee Code Annotated, the Charter of the City and the Master Resolution, and for the purpose of providing funds to finance the Costs of the Series 2020 Project and to pay the costs incident to the issuance and sale of the Series 2020 Bonds, as more fully set forth in Section 4.01 hereof, there are hereby authorized to be issued gas system revenue bonds of the City in the aggregate principal amount of not to exceed \$70,000,000. The Series 2020 Bonds shall be issued as Senior Lien Revenue Obligations under the Master Resolution and are entitled to the benefit, protection and security of the provisions of the Master Resolution in the manner provided herein. The Series 2020 Bonds shall be issued under the Master Resolution in fully registered, book-entry only form, without coupons, shall be known as “Gas System Revenue Bonds, Series 2020”, or such other appropriate designation as may be determined by the Mayor and the President or Secretary-Treasurer of the Division pursuant to Section 4.01 hereof, and shall be dated the date of issuance, or such other dated date as may be determined by the Mayor and the President or Secretary-Treasurer of the Division pursuant to Section 4.01 hereof and shall be lettered 20R and numbered from one (1) consecutively upwards. The rate or rates on the Series 2020 Bonds shall not exceed

five and one-half percent (5.50%) per annum. Subject to the adjustments permitted pursuant to Section 4.01 hereof, interest on the Series 2020 Bonds shall be payable semi-annually on each Interest Payment Date, commencing December 1, 2020. The Series 2020 Bonds shall be issued in \$5,000 denominations or integral multiples thereof, as shall be requested by the Underwriter, and shall mature on each Principal Payment Date commencing December 1, 2021, and ending December 1, 2050, the final maturity date of the Series 2020 Bonds (with each such date being subject to the adjustments permitted pursuant to Section 4.01 hereof) in such amounts and at such rates as shall be established in the Bond Series Certificate.

(b) The Debt Service Reserve Requirement, if any, for the Series 2020 Bonds shall be determined by the Mayor and the President or Secretary-Treasurer to the extent not inconsistent with this Resolution.

(c) The Series 2020 Bonds may contain such optional or mandatory redemption provisions, if any, as may be determined by the Mayor and the President or Secretary-Treasurer of the Division pursuant to Section 4.01 hereof. Any notice of redemption of Series 2020 Bonds shall be given by the Bond Registrar on behalf of the Division by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Series 2020 Bonds to be redeemed, and any such notice of redemption shall otherwise comply with Article III of the Master Resolution

(d) The Bond Registrar/Paying Agent is hereby appointed and is hereby authorized and directed to maintain the Bond Register with respect to the Series 2020 Bonds, to authenticate and deliver the Series 2020 Bonds as provided herein and in the Master Resolution, either at original issuance or upon transfer, to effect transfers of the Series 2020 Bonds, to make all payments of principal and interest with respect to the Series 2020 Bonds as provided herein, to cancel and destroy Series 2020 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the City at least annually a certificate of destruction with respect to Series 2020 Bonds canceled and destroyed, and to furnish the City at least annually an audit confirmation of Series 2020 Bonds paid, Series 2020 Bonds outstanding and payments made with respect to interest on the Series 2020 Bonds. The President of the Division is hereby authorized to execute and the Secretary-Treasurer is hereby authorized to attest such written agreement between the City and the Bond Registrar/Paying Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Bond Registrar/Paying Agent. The payment of all reasonable fees and expenses of the Bond Registrar/Paying Agent by the Division for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

(e) The Series 2020 Bonds shall be payable, principal and interest, in lawful money of the United States of America at the principal corporate trust office of the Paying Agent as provided in the Master Resolution. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

(f) Any interest on any Bond that is payable but is not punctually paid or duly provided for on any Interest Payment Date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu

thereof, such Defaulted Interest shall be paid by the City to the persons in whose names the Series 2020 Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the City shall notify the Bond Registrar/Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the City shall deposit with the Bond Registrar/Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Bond Registrar/Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Bond Registrar/Paying Agent of the notice of the proposed payment, the Bond Registrar/Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest, which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Bond Registrar/Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Bond Registrar/Paying Agent as of the date of such notice. Nothing contained in this Section or in the Series 2020 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the City to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series 2020 Bonds when due.

(g) The Series 2020 Bonds may be transferred and exchanged as provided in the Master Resolution; provided, however, the Bond Registrar/Paying Agent shall not be required to transfer or exchange any Bond during the period commencing on a Record Date or Special Record Date and ending on the corresponding Interest Payment Date of such Bond. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar/Paying Agent shall be affected by any notice to the contrary whether or not any payments due on the Series 2020 Bonds shall be overdue.

(h) The Series 2020 Bonds shall be executed as provided in Section 2.03 of the Master Resolution.

(i) Except as otherwise provided in this Third Supplemental Resolution, the Series 2020 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Series 2020 Bonds. References in this Section to a Series 2020 Bond or the Series 2020 Bonds shall be construed to mean the Series 2020 Bond or the Series 2020 Bonds that are held under the Book-Entry System. One Series 2020 Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series 2020 Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series 2020 Bonds. Beneficial ownership interests in the Series 2020 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series 2020 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series 2020 Bonds. Transfers of ownership interests in the Series 2020 Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES 2020 BONDS, THE BOND REGISTRAR/PAYING AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE SERIES 2020 BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF AND INTEREST ON THE SERIES 2020 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE BOND REGISTRAR/PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal and interest with respect to the Series 2020 Bonds, so long as DTC is the only owner of the Series 2020 Bonds, shall be paid by the Bond Registrar/Paying Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation relating to the Series 2020 Bonds from the City and the Bond Registrar/Paying Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The City and the Bond Registrar/Paying Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Series 2020 Bonds or (2) the City determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Series 2020 Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2020 Bonds, the City shall discontinue the Book-Entry System with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City shall cause the Bond Registrar/Paying Agent to authenticate and deliver replacement Series 2020 Bonds in the form of fully registered Series 2020 Bonds to each Beneficial Owner in accordance with the Master Resolution.

THE CITY AND THE BOND REGISTRAR/PAYING AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES 2020 BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2020 BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS; (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL

REDEMPTION OF THE SERIES 2020 BONDS: OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

(j) The Bond Registrar/Paying Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series 2020 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series 2020 Bonds, utilization of electronic book-entry data received from DTC in place of actual delivery of Series 2020 Bonds and provision of notices with respect to Series 2020 Bonds registered by DTC (or any of its designees identified to the Bond Registrar/Paying Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Series 2020 Bonds, provided, however, that the Bond Registrar/Paying Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

(k) The Bond Registrar/Paying Agent is hereby authorized to authenticate and deliver the Series 2020 Bonds to the Underwriter, as the original purchaser, upon receipt by the Division, on behalf of the City, of the proceeds of the sale thereof and to authenticate and deliver Series 2020 Bonds in exchange for Series 2020 Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series 2020 Bonds shall not be valid for any purpose unless authenticated by the Bond Registrar/Paying Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

#### **SECTION 2.02 Security and Source of Payment.**

The Series 2020 Bonds are payable solely from and secured by a pledge of the Pledged Revenues as provided in the Master Resolution, consisting of a Senior Lien on the General Revenues and the funds and accounts established for the Series 2020 Bonds, which is on a parity and equality of lien with respect to such Pledged Revenues with any Outstanding Senior Lien Revenue Obligations and any additional Senior Lien Revenue Obligations hereafter issued, and such lien is senior in lien and right of payment to any Outstanding Subordinate Lien Obligations or any Subordinate Lien Obligations issued in the future. As set forth in the Master Resolution, the City has no obligation to levy any taxes to pay the Series 2020 Bonds, and therefore the owners of the Series 2020 Bonds shall have no recourse to the power of taxation of the City. The punctual payment of principal of, premium, if any, and interest on the Series 2020 Bonds and any Additional Obligations hereafter issued as Senior Lien Revenue Obligations under the Master Resolution shall be secured equally and ratably by said Pledged Revenues without priority by reason of series, number or time of sale and delivery. The City has covenanted that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of, premium, if any, and interest on Revenue Obligations issued under the Master Resolution, including the Series 2020 Bonds and any bonds hereafter issued on a parity with the Series 2020 Bonds, as each payment becomes due. For a more complete statement of the general covenants and provisions pursuant to which the Series 2020 Bonds are issued, reference is hereby made to said Resolution.

[Remainder of page intentionally left blank]



**ARTICLE III  
FORM OF SERIES 2020 BONDS**

The Series 2020 Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Series 2020 Bonds are prepared and delivered:

(Form of Face of Bond)

AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE RESOLUTION TO THE CONTRARY, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO A NOMINEE OF DTC, OR BY A NOMINEE OF DTC TO DTC OR A NOMINEE OF DTC, OR BY DTC OR A NOMINEE OF DTC TO ANY SUCCESSOR SECURITIES DEPOSITORY OR ANY NOMINEE THEREOF.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT FOR PAYMENT OF PRINCIPAL OR REDEMPTION PRICE, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, CEDE & CO., AS NOMINEE OF DTC, HAS AN INTEREST HEREIN.

REGISTERED  
Number 20R-\_\_\_\_\_

REGISTERED  
\$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TENNESSEE  
COUNTY OF SHELBY  
CITY OF MEMPHIS

GAS SYSTEM REVENUE BOND, SERIES 2020

Interest Rate:

Maturity Date:

Date of Bond:

CUSIP No.

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That the City of Memphis, a municipal corporation lawfully organized and existing in Shelby County, Tennessee (the "City"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date, said interest being payable on December 1, 2020, and semi-annually thereafter on the first day of June and December in each year until this Series 2020 Bond matures. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of Regions Bank, Nashville, Tennessee, as registration agent and paying agent (the "Bond Registrar/Paying Agent"). The Bond Registrar/Paying Agent shall make all interest payments with respect to this Series 2020 Bond on each interest payment date directly to the registered owner hereof shown on the Series 2020 Bond registration records maintained by the Bond Registrar/Paying Agent as of the close of business on the fifteenth (15<sup>th</sup>) day of the month next preceding the interest payment date (the "Record Date") by check or draft mailed to such owner at such owner's address shown on said Series 2020 Bond registration records, without, except for final payment, the presentation or surrender of this Series 2020 Bond, and all such payments shall discharge the obligations of the City to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Series 2020 Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Bond Registrar/Paying Agent, notice of which shall be given to the owners of the Series 2020 Bonds of the issue of which this Series 2020 Bond is one not more than fifteen (15) nor less than ten (10) days prior to such Special Record Date. Payment of principal of this Series 2020 Bond shall be made when due upon presentation and surrender of this Series 2020 Bond to the Bond Registrar/Paying Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Series 2020 Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2020 Bonds of the series of which this Series 2020 Bond is one. One Series 2020 Bond for each maturity of the Series 2020 Bonds shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Series 2020 Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Series 2020 Bonds, the City and the Bond Registrar/Paying Agent shall treat Cede & Co., as the only owner of the Series 2020 Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of and interest on the Series

2020 Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, premium, if any, and interest with respect to the Series 2020 Bonds, so long as DTC is the only owner of the Series 2020 Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the City nor the Bond Registrar/Paying Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Series 2020 Bonds or (2) the City determines that the continuation of the book-entry system of evidence and transfer of ownership of the Series 2020 Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2020 Bonds, the City may discontinue the book-entry system with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City shall cause the Bond Registrar/Paying Agent to authenticate and deliver replacement Series 2020 Bonds in the form of fully registered Series 2020 Bonds to each Beneficial Owner. Neither the City nor the Bond Registrar/Paying Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Series 2020 Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Series 2020 Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners; (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Series 2020 Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

[Series 2020 Bonds of the issue of which this Series 2020 Bond is one maturing \_\_\_\_\_ through \_\_\_\_\_ shall mature without the option of prior redemption. Series 2020 Bonds of the issue of which this Series 2020 Bond is one maturing \_\_\_\_\_ (or portions thereof in installments of \$5,000) and thereafter shall be subject to redemption at the option of the City, at the direction of the Board of the Memphis Light, Gas and Water Division (the "Division"), in whole or in part on \_\_\_\_\_, any by lot within a maturity (if less than a full maturity is to be redeemed), and at any time thereafter at a price of par plus interest accrued to the redemption date.]

OR, [The Series 2020 Bonds shall not be subject to redemption prior to maturity].

Notice of any redemption of Series 2020 Bonds shall either (i) explicitly state that the proposed redemption is conditioned on there being on deposit in the applicable fund or account on the redemption date sufficient money to pay the full redemption price of the Series 2020 Bonds to be redeemed, or (ii) be sent only if sufficient money to pay the full redemption price of the Series 2020 Bonds to be redeemed is on deposit in the applicable funds or account.

IF TERM BONDS ARE ISSUED, THE FOLLOWING PROVISIONS SHALL BE INCLUDED:

[The City, at the direction of the Division, shall redeem Series 2020 Bonds maturing \_\_\_\_\_ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Series 2020 Bonds of which this Series 2020 Bond is one, or such Person as shall then be serving as the securities depository for the Series 2020 Bonds, shall determine the interest of each DTC Participant in the Series 2020 Bonds to be redeemed using its procedures generally in use at that time. If DTC or another securities depository is no longer serving as securities depository for the Series 2020 Bonds, the Series 2020 Bonds to be redeemed within a maturity shall be selected by the Bond Registrar by lot or such other random manner as the Bond Registrar in its discretion shall select. The dates of redemption and principal amount of Series 2020 Bonds to be redeemed on said dates are as follows:

<u>Stated Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Series 2020 Bonds Redeemed</u>
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**\*Final Maturity**

At its option, to be exercised on or before the forty-fifth (45<sup>th</sup>) day next preceding any such redemption date, the City, at the direction of the Division, may (i) deliver to the Bond Registrar for cancellation Series 2020 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2020 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Bond Registrar and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series 2020 Bond so delivered or previously purchased or redeemed shall be credited by the Bond Registrar at 100% of the principal amount thereof on the obligation of the City on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series 2020 Bond to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The City, at the direction of the Division, shall on or before the forty-fifth (45<sup>th</sup>) day next preceding each payment furnish the Bond Registrar with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Notice of call for redemption shall be given by the Bond Registrar on behalf of the Division by mailing a copy of an official redemption notice by first class mail at least twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owners of the Series 2020 Bonds to be redeemed at the addresses shown on the Bond Register. As long as DTC, or a successor Depository, is the registered owner of the Series 2020 Bonds, all redemption notices shall be mailed by the Bond Registrar to DTC, or such successor

Depository, as the registered owner of the Series 2020 Bonds, as and when above provided, and none of the City, the Division nor the Bond Registrar shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Series 2020 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Bond Registrar for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.

This Series 2020 Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar/Paying Agent set forth above, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Series 2020 Bond. Upon such transfer, a new Series 2020 Bond or Series 2020 Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Series 2020 Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar/Paying Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Series 2020 Bonds, upon surrender to the Bond Registrar/Paying Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Series 2020 Bonds of the same maturity in any authorized denomination or denominations, upon the terms set forth in the Resolution. The Bond Registrar/Paying Agent shall not be required to transfer or exchange any Series 2020 Bond during the period commencing on a Record Date or Special Record Date and ending on the corresponding interest payment date of such Series 2020 Bond.

This Series 2020 Bond is one of a total authorized issue aggregating \$ \_\_\_\_\_ and issued by the City for the purpose of providing funds to finance the Costs of acquisition, expansion and/or improvements to the System and to pay costs of issuance to the Series 2020 Bonds, under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 7-34-101 *et seq.*, and Sections 9-21-101, *et seq.*, Tennessee Code Annotated, and pursuant to the Master Resolution duly adopted by the City Council of the City on the 5<sup>th</sup> day of July, 2016, as amended and supplemented from time to time and in particular as supplemented by the Third Supplemental Resolution duly adopted by the City Council of the City on the [ ] day of [\_\_\_\_], 2020 (collectively, the "Resolution").

This Series 2020 Bond and the interest thereon is payable solely from and secured by a pledge of the Pledged Revenues (as defined in the Master Resolution) as provided in the Master Resolution, consisting of a Senior Lien on the General Revenues and the funds and accounts established for the Series 2020 Bonds, which is on a parity and equality of lien with respect to such Pledged Revenues with any Outstanding Senior Lien Revenue Obligations and any additional Senior Lien Revenue Obligations hereafter issued, and such lien is senior in lien and right of payment to any Outstanding Subordinate Lien Obligations or any Subordinate Lien Obligations issued in the future. As set forth in the Master Resolution, the City has no obligation to levy any taxes to pay the Series 2020 Bonds, and therefore the owners of the Series 2020 Bonds shall have no recourse to the power of taxation of the City. The Series 2020 Bonds do not

constitute a debt of the City or the Division. The punctual payment of principal of, premium, if any, and interest on the Series 2020 Bonds and any Additional Obligations hereafter issued as Senior Lien Revenue Obligations under the Master Resolution shall be secured equally and ratably by said Pledged Revenues without priority by reason of series, number or time of sale and delivery. The City has covenanted that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of, premium, if any, and interest on Revenue Obligations issued under the Master Resolution. For a more complete statement of the security for the Series 2020 Bonds, the rate covenant referenced in the previous sentence and the general covenants and provisions pursuant to which this Series 2020 Bond is issued, reference is hereby made to the Resolution.

This Series 2020 Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Series 2020 Bond during the period the Series 2020 Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2020 Bond in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

This Series 2020 Bond shall not be entitled to any benefit under the Resolution, or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Bond Registrar of the Bond Registrar's Certificate of Authentication hereon.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2020 Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2020 Bond, together with all other indebtedness of the City, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the City has caused this Series 2020 Bond to be signed by its Mayor with his manual or facsimile signature and attested by its Comptroller with her manual or facsimile signature under an impression or facsimile of the corporate seal of the City, all as of the date hereinabove set forth.

CITY OF MEMPHIS, TENNESSEE

BY: \_\_\_\_\_  
Mayor

(SEAL)

ATTESTED:

\_\_\_\_\_  
Comptroller

Transferable and payable at the principal corporate trust office of:

Date of Registration: \_\_\_\_\_

This Series 2020 Bond is one of the issue of Series 2020 Bonds issued pursuant to the Resolution hereinabove described.

REGIONS BANK, Bond Registrar/Paying Agent

By: \_\_\_\_\_  
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto \_\_\_\_\_, whose address is \_\_\_\_\_ (Please insert Federal Identification or Social Security Number of Assignee \_\_\_\_\_), the within Series 2020 Bond of the City of Memphis, Tennessee, and does hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the said Series 2020 Bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Series 2020 Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE; Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Bond Registrar/Paying Agent.

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**ARTICLE IV**  
**SALE OF SERIES 2020 BONDS, APPROVAL OF OFFICIAL STATEMENT,**  
**ESTABLISHMENT OF ACCOUNTS**

**SECTION 4.01      Sale of Series 2020 Bonds.**

(a) The Series 2020 Bonds shall be sold by the Mayor and the President or Secretary-Treasurer of the Division to the Underwriters through a negotiated sale at a price of not less than 97% of the par value of the Series 2020 Bonds actually issued, plus accrued interest, as shall be determined by the Mayor and the President or Secretary-Treasurer of the Division. The sale of the Series 2020 Bonds by the Mayor shall be binding on the City, and no further action of the Council or the Division with respect thereto shall be required.

(b) To facilitate the sale of the Series 2020 Bonds in a manner that is in the best interest of the City and the Division and results in the greatest financial benefit for the City, the Mayor and the President or Secretary-Treasurer of the Division are authorized to establish the following with respect to the Series 2020 Bonds pursuant to the Bond Series Certificate: (1) to change the dated date of the Series 2020 Bonds to a date other than the date of issuance; (2) to change the series designation of the Series 2020 Bonds; (3) to adjust principal and interest payment dates of the Series 2020 Bonds so long as the final maturity dates are not later than December 1, 2050; (4) to decrease the total amount of Series 2020 Bonds authorized to be issued herein; (5) to establish the price at which the Series 2020 Bonds are sold to the Underwriters within the parameters of Section 4.01(a) above; (6) to establish the interest rates for the Series 2020 Bonds, so long as the rate or rates do not exceed five and one-half percent (5.50%) per annum; (7) to establish the principal amounts of the Series 2020 Bonds maturing in each year; (8) to establish such optional and mandatory redemption provisions as may be necessary to maximize the financing objectives of the Division; (9) to designate a portion of the Series 2020 Bonds as term bonds with mandatory redemption provisions established in the Bond Series Certificate; and (10) to establish the Debt Service Reserve Requirement for the Series 2020 Bonds; provided that the Debt Service Reserve Requirement may be \$-0-. The Mayor and the President or Secretary-Treasurer of the Division are further authorized to cause all or a portion of the Series 2020 Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to enter into agreements with the insurance company with respect to the Series 2020 Bonds to the extent not inconsistent with the Resolution.

(c) The Mayor is hereby authorized to execute and accept, and the President of the Division to acknowledge, a Bond Purchase Agreement with the Underwriters, providing for the purchase and sale of the Series 2020 Bonds. The Mayor and the President or Secretary-Treasurer of the Division have previously been authorized to select the Underwriter or Underwriters with whom the City will negotiate the purchase and sale of the Series 2020 Bonds. The Bond Purchase Agreement shall be in substantially the form attached hereto as Exhibit A, with such changes, insertions and omissions as may be approved by The Mayor and the President or Secretary-Treasurer of the Division upon advice and counsel of the Division's General Counsel and Co-Bond Counsel, which such changes, insertions and omissions are in all respects approved, provided the Bond Purchase Agreement accomplishes the sale of the Series 2020 Bonds in accordance with the provisions of the Resolution, and is not inconsistent with the terms

of the Resolution.

(d) The Mayor and the President or Secretary-Treasurer of the Division are authorized to engage and employ such firms and professionals that they deem necessary to consummate the transactions contemplated herein and to negotiate engagements with all of said firms at rates and amounts prevailing in the municipal bond industry for the work to be performed by such firms. The appointment of Regions Bank, Nashville, Tennessee, to serve as the Bond Registrar/Paying Agent under this Third Supplemental Resolution is hereby approved. The Mayor, the President and the Secretary-Treasurer of the Division are hereby authorized, empowered and directed to execute and deliver agreements with the Bond Registrar/Paying Agent in the name and on behalf of the City and the Division, including the Paying Agent Agreement, and shall be authorized to modify the terms and conditions of the Paying Agent Agreement as they shall determine to be necessary or appropriate.

(e) The Mayor and the Comptroller of the City, or either of them, are authorized to cause the Series 2020 Bonds to be authenticated and delivered by the Bond Registrar/Paying Agent to the Underwriter and to execute, publish, and deliver all certificates and documents, including a preliminary official statement, an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Series 2020 Bonds.

#### **SECTION 4.02 Establishment of Accounts.**

(a) A Series 2020 Bonds Senior Lien Revenue Interest Subaccount (the "Interest Subaccount") is hereby established within the Interest Account of the Gas System Sinking Fund which is established pursuant to Section 4.02(b)(1) of the Master Resolution. On or after the first day of the month next succeeding the date of issuance of the Series 2020 Bonds, but not later than the last day of such month, and each month thereafter, the Division shall deposit in the Interest Subaccount the amounts required under Section 4.04(b) of the Master Resolution.

(b) A Series 2020 Bonds Senior Lien Revenue Principal Subaccount (the "Principal Subaccount") is hereby established within the Principal Account of the Gas System Sinking Fund which is established pursuant to Section 4.02(b)(4) of the Master Resolution. On or after the first day of the month next succeeding the date of issuance of the Series 2020 Bonds, but not later than the last day of such month, and each month thereafter, the Division shall deposit in the Principal Subaccount the amounts required under Section 4.04(d) of the Master Resolution.

(c) A Series 2020 Bonds Proceeds Account (the "Series 2020 Bonds Proceeds Account") is hereby established within the Gas System Project Fund which is established pursuant to Section 4.02(f) of the Master Resolution. The Division shall pay into the Series 2020 Bond Proceeds Account the amount of the proceeds as designated in Section 4.03(d) of this Third Supplemental Resolution. Said proceeds shall be applied in the manner and for the purposes specified in the Resolution to the Costs of Series 2020 Project. Money in the Series 2020 Bonds Proceeds Account not required for immediate disbursement may be invested and reinvested pursuant to the provisions of the Resolution at the direction of the Division and at the Division's risk subject to the limitations in the Resolution and to the requirements of Section 4.01 hereof.

(d) If the Mayor and the President or the Secretary-Treasurer of the Division determine that the Debt Service Reserve Requirement for the Series 2020 Bonds will be greater than \$-0-, a Series 2020 Bonds Debt Service Reserve Subaccount (the "Reserve Subaccount") shall be established within the Debt Service Reserve Account of the Gas System Sinking Fund.

#### **SECTION 4.03 Disposition of Bond Proceeds.**

The proceeds of the sale of the Series 2020 Bonds shall be applied by the City and the Division as follows:

(a) all accrued interest, if any, shall be deposited to the Interest Subaccount to be used to pay interest on the Series 2020 Bonds on the first Interest Payment Date following delivery of the Series 2020 Bonds;

(b) such amounts as may be requested by the Secretary-Treasurer of the Division for the payment of the costs of issuance of the Series 2020 Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premium, if any, administrative and clerical costs, rating agency fees, Bond Registrar/Paying Agent fees, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Series 2020 Bonds, shall be applied for such purposes at the direction of the Division; and

(c) an amount equal to the Debt Service Reserve Requirement for the Series 2020 Bonds, if determined to be greater than \$-0-, shall be deposited in the Reserve Subaccount; and

(d) the remainder of the proceeds of the sale of the Series 2020 Bonds shall be deposited by the Division in the Series 2020 Bonds Proceeds Account and applied to the Costs of the Series 2020 Project or to reimburse the Division for Costs of the Series 2020 Project incurred prior to the issuance of the Series 2020 Bonds, which such reimbursement shall comply with Federal tax law requirements.

#### **SECTION 4.04 Official Statement.**

The Mayor and the President or Secretary-Treasurer of the Division, or either of them, working with the Underwriter, are hereby authorized and directed to provide for the preparation and distribution, electronic or otherwise, of a Preliminary Official Statement describing the Series 2020 Bonds. After the Series 2020 Bonds have been sold, the Mayor and the President or Secretary-Treasurer of the Division, or either of them, shall cause to be made such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Third Supplemental Resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12 ("Rule 15c2-12") of the Securities and Exchange Commission (the "SEC"). The Mayor and the President or Secretary-Treasurer of the Division, or either of them, are hereby authorized to contract with the Underwriter to provide, within seven (7) business days after the day on which the Series 2020 Bonds have been sold to the Underwriter, copies of the Official Statement in sufficient quantity to allow the Underwriter to comply with Rule 15c2-12 and the rules of the SEC and the Municipal Securities Rulemaking Board ("MSRB"). Furthermore, the Mayor and the President or Secretary-Treasurer of the Division, or either of them, are hereby authorized to authorize the Underwriter, to the extent

required by rules of the SEC or the MSRB, to file the Official Statement with the MSRB or its designee, including submission to the MSRB's Electronic Municipal Market Access system, within the timeframe required by Rule G-32 of the MSRB.

The Mayor and the President or Secretary-Treasurer of the Division, or either of them, are authorized, on behalf of the City, to deem the Preliminary Official Statement in final form, to be final as of its date within the meaning of Rule 15c2-12, except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12. The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the City except for the "permitted omissions" as such term is defined in Rule 15c2-12.

## **ARTICLE V COVENANTS**

### **SECTION 5.01 Tax Matters.**

(a) Each of the City and the Division covenants that, in order to maintain the exclusion from gross income for Federal income tax purposes of the interest on the Series 2020 Bonds, each of the City and the Division will satisfy, or take such actions as are necessary to cause to be satisfied, each provision of the Code necessary to maintain such exclusion. In furtherance of this covenant, each of the City and the Division agrees to comply with such written instructions as may be provided by Co-Bond Counsel. In furtherance of the covenant contained in the preceding sentence, each of the City and the Division agrees to continually comply with the provisions of the "Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986," as amended from time to time, to be executed by each of the City and the Division in connection with the execution and delivery of the Series 2020 Bonds.

(b) Each of the City and the Division covenants that no part of the proceeds of the Series 2020 Bonds shall be used, directly or indirectly, to acquire any "investment property," as defined in section 148 of the Code, which would cause the Series 2020 Bonds to become "arbitrage bonds" within the meaning of section 148 of the Code or under applicable Treasury regulations promulgated thereunder. In order to assure compliance with the rebate requirement of section 148 of the Code, each of the City and the Division further covenants that it will pay or cause to be paid to the United States Treasury Department the amounts necessary to satisfy the requirements of section 148(f) of the Code, and that it will establish such accounting procedures as are necessary to adequately determine, account for and pay over any such amount or amounts required to be paid to the United States in a manner consistent with the requirements of section 148 of the Code, such covenant to survive the defeasance of the Series 2020 Bonds.

(c) Notwithstanding any other provision of the Resolution to the contrary, upon the City's or the Division's failure to observe, or refusal to comply with the covenants contained in this Section 5.01, neither the holders of the Bonds of any Series (other than the Series 2020 Bonds or the Paying Agent acting on their behalf) nor the Paying Agent acting on their behalf shall be entitled to exercise any right or remedy provided to such holders or the Paying Agent

under the Resolution based upon the City's failure to observe, or refusal to comply with, the covenants contained in this Section 5.01.

(d) The Mayor and the President or Secretary-Treasurer of the Division, or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Series 2020 Bonds as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the City.

**SECTION 5.02 Continuing Disclosure.**

Each of the City and the Division hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 for the Series 2020 Bonds. The Mayor or the President or Secretary-Treasurer of the Division, or any of them, are authorized to execute at the closing of the sale of the Series 2020 Bonds an agreement for the benefit of and enforceable by the owners of the Series 2020 Bonds specifying the details of the financial information, operating data and material event notices to be provided and its obligations relating thereto. Failure of the City or the Division to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Series 2020 Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the City and the Division to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

**ARTICLE VI  
MISCELLANEOUS**

**SECTION 6.01 Resolution a Contract.**

The provisions of the Resolution shall constitute a contract between the City and the registered owners of the Series 2020 Bonds, and after the issuance of the Series 2020 Bonds, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner except as provided in the Resolution.

**SECTION 6.02 Additional Authorizations.**

All acts and doings of the Mayor and Comptroller of the City, and the President and Secretary-Treasurer of the Division and any other officer of the City or the Division which are in conformity with the purposes and intent of this Third Supplemental Resolution and in furtherance of the issuance, sale, execution and delivery of the Series 2020 Bonds as set forth herein shall be and the same hereby are in all respects, approved and confirmed.

The Mayor and Comptroller of the City and the President and Secretary-Treasurer of the Division, and other officials, officers and agents of the City and the Division, together with the City's and the Division's financial advisors and Co-Bond Counsel, are hereby authorized, empowered and directed to prepare, execute, file and deliver such further instruments, certificates or other documents with respect to the Series 2020 Bonds, and to take such other and further action, as may be necessary or desirable to consummate the aforesaid issuance of the Series 2020 Bonds and to give full force and effect to the Resolution.

**SECTION 6.03 Severability.**

If any section, paragraph or provision of this Third Supplemental Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Third Supplemental Resolution.

**SECTION 6.04 Conflicting Resolutions.**

Any and all ordinances or resolutions or parts of ordinances or resolutions, except the Master Resolution, in conflict with this Third Supplemental Resolution are to the extent of such conflict hereby repealed, and this Third Supplemental Resolution shall take immediate effect and shall be in full force and effect from and after its adoption.

**SECTION 6.05 Amendment of Resolution.**

This Third Supplemental Resolution may be amended in the same manner as provided for amendment of the Master Resolution.

**EXHIBIT A**  
**FORM OF BOND PURCHASE AGREEMENT**

**CITY OF MEMPHIS, TENNESSEE  
MEMPHIS LIGHT, GAS AND WATER DIVISION**

§ \_\_\_\_\_  
**GAS SYSTEM REVENUE BONDS  
SERIES 2020**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2020

The City of Memphis, Tennessee  
Memphis Light, Gas and Water Division  
220 South Main Street  
Memphis, Tennessee 38103

Ladies and Gentlemen:

Raymond James & Associates, Inc. (the "Representative"), for itself and on behalf of Duncan-Williams Inc., FHN Financial Capital Markets and Siebert Williams Shank & Co., LLC (collectively, the "Underwriters"), does hereby offer to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the City of Memphis, Tennessee (the "City"), and the Memphis Light, Gas and Water Division of the City of Memphis, Tennessee (the "Division"), which upon written acceptance hereof by the City and the Division will be binding upon the City, the Division and the Underwriters concerning the sale by the City and the purchase by the Underwriters of \$ \_\_\_\_\_ aggregate principal amount of the City's Gas System Revenue Bonds, Series 2020 (the "Series 2020 Gas System Bonds"), maturing and bearing interest at the rates set forth in **EXHIBIT A** attached hereto. This offer is made subject to the written acceptance by the City and the Division on or before 5:00 p.m., Central Daylight Time, on the date hereof. If this offer is not accepted, it is subject to withdrawal by the Representative upon written notice delivered to the City and the Division at any time prior to acceptance. The City and the Division understand and acknowledge that the Underwriters, in their capacity as the purchasers and underwriters of the Series 2020 Gas System Bonds under this Purchase Agreement, are acting as principals and not as agents or fiduciaries and the purchase of the Series 2020 Gas System Bonds by the Underwriters pursuant to this Purchase Agreement is as independent contractors and not in any other capacity. Furthermore, the City and the Division agree that each entity is solely responsible for making its own judgments in connection with the purchase and sale of the Series 2020 Gas System Bonds pursuant to this Purchase Agreement irrespective of whether the Underwriters have advised or are currently advising the City or the Division on related or other matters. Capitalized terms used but not defined herein shall have the meanings set forth in the hereinafter defined Gas System Resolution.

**SECTION 1. Purpose of Financing, Security and Authorization.** The proceeds of the Series 2020 Gas System Bonds will be used to finance the Costs of acquiring, expanding and/or improving the System and to pay certain costs of issuance with respect to the Series 2020 Gas

System Bonds. The Series 2020 Gas System Bonds are being issued pursuant to Chapter 34, Title 7, Tennessee Code Annotated, as amended (the "Revenue Bond Law"), the Charter of the City (the "City Charter") and the Gas System Revenue Obligations Master Resolution adopted by the Board of Light, Gas and Water Commissioners (the "Board") of the Division on June 1, 2016, and by the City Council (the "City Council") of the City on July 5, 2016, and as previously amended and supplemented (the "Master Gas System Resolution") and particularly as supplemented in respect of the Series 2020 Gas System Bonds by that certain Third Supplemental Resolution (the "Third Supplemental Resolution") adopted by the Board of the Division on [\_\_\_\_\_, 2020], and by the City Council on [\_\_\_\_\_, 2020], under which Regions Bank, Nashville, Tennessee, is appointed the bond registrar and paying agent (the "Paying Agent") for the Series 2020 Gas System Bonds. The Master Gas System Resolution, as particularly supplemented by the Third Supplemental Resolution, is hereinafter referred to as the "Gas System Resolution". The Series 2020 Gas System Bonds are being issued as General Revenue Obligations under the Gas System Resolution and, as such, are limited obligations of the City payable solely from and secured by a pledge of the Pledged Revenues, which is on a parity and equality of lien with respect to the Pledged Revenues with any additional Senior Lien Obligations hereafter issued thereunder and such lien is senior in lien and right of payment to any Outstanding Subordinate Lien Obligations (as defined in the Official Statement) or any Subordinate Lien Obligations issued under the Master Gas System Resolution in the future.

**SECTION 2. Liquidated Damages.** If the City and the Division accepts this offer and if the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Series 2020 Gas System Bonds upon tender thereof by the City at the Closing as herein provided, or if the City is unable to satisfy the conditions precedent to the issuance of the Series 2020 Gas System Bonds by reason of the failure of the Underwriters to comply with the requirements of this Purchase Agreement as set forth herein, the parties hereby agree that the damages to the City and Division shall be fixed at one percent (1%) of the aggregate principal amount of the Series 2020 Gas System Bonds, and, upon such failure of the Underwriters to accept and pay for the Series 2020 Gas System Bonds, the Underwriters shall be obligated to pay to the City such amount as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters. Upon such payment, the obligations of the City to pay fees and expenses of the Underwriters pursuant to Section 11 herein shall be fully released and discharged and the Underwriters shall be fully released and discharged of all claims, rights and damages for such failure and for any and all such defaults. In no event shall the City be entitled to damages of any nature other than the liquidated damages herein specified.

**SECTION 3. The Representative and the Underwriters.** Any authority, discretion or other power conferred upon the Underwriters under any provision of this Purchase Agreement may be exercised by the Representative. The payment for, acceptance of, delivery and execution of any receipt for the Series 2020 Gas System Bonds and any other instruments upon or in connection with the Closing (hereinafter defined) by the Representative on behalf of the Underwriters shall be valid and sufficient for all purposes and binding upon the Underwriters, provided that such action by the Underwriters shall not impose any obligation or liability upon any Underwriters other than as may arise as expressly set forth in this Purchase Agreement.

**SECTION 4. Representations and Warranties of the City and the Division.** The City and the Division make the following representations and warranties, as of the date hereof, and it shall be a condition of the obligation of the Underwriters to purchase and accept delivery of the Series 2020 Gas System Bonds at the Closing (hereinafter defined) that the City shall make the following representations and warranties as of the Closing Date (hereinafter defined).

(a) The Preliminary Official Statement (hereinafter defined) was, with respect to information regarding the City and the Division, as of its date, other than as modified by the Official Statement (hereinafter defined), and the Official Statement is as of the date of this Purchase Agreement, and at all times subsequent thereto up to and including the Closing Date will be, with respect to information regarding the City and the Division, true and correct in all material respects and did not, does not and will not at any such time contain any untrue or misleading statement of a material fact and did not, does not and will not at any such time omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. Any amendments or supplements to the Official Statement, with respect to information regarding the City or the Division, will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) The City is a municipal corporation duly created and existing under the Constitution and the laws of the State of Tennessee (the "State"), pursuant to Chapters 1-3 of Title 7 of the Tennessee Code Annotated, as amended and supplemented (the "Act"), and duly organized and validly existing under the City Charter, which City Charter has been validly adopted.

(c) The Division was created as a division of the City by an amendment to the City Charter by Chapter 381 of the Private Acts of the General Assembly of Tennessee adopted March 9, 1939, as amended (the "Private Act"). The Division has and, at the time of the Closing, will have full legal right, power and authority under the City Charter and the Private Act to operate the System.

(d) The City has and, at the time of the Closing, will have full legal right, power and authority under the laws of the State, the City Charter, the Revenue Bond Law and the Gas System Resolution to: (i) adopt the Gas System Resolution; (ii) enter into this Purchase Agreement, the Continuing Disclosure Certificate of the City relating to the Series 2020 Gas System Bonds in substantially the form attached to the Official Statement (the "Disclosure Certificate") and all other agreements entered into or to be entered into by the City, as contemplated in the Gas System Resolution; (iii) secure the Series 2020 Gas System Bonds in the manner contemplated in the Gas System Resolution; and (iv) carry out and consummate all the transactions contemplated for the City by this Purchase Agreement, the Gas System Resolution, the Disclosure Certificate and the Official Statement. The City has complied and, at the Closing, will be in compliance in all material respects with the terms of the City Charter, the Revenue Bond Law and the Gas System Resolution, as they pertain to such transactions.

(e) The Division has and, at the time of the Closing, will have full legal right, power and authority under the laws of the State, the City Charter, the Private Act, the Revenue Bond Law and the Gas System Resolution to: (i) adopt the Gas System Resolution; (ii) enter into this Purchase

Agreement, the Disclosure Certificate, the Paying Agent Agreement and all other agreements entered into or to be entered into by the Division, as contemplated in the Gas System Resolution; and (iii) carry out and consummate all the transactions contemplated for the Division by this Purchase Agreement, the Disclosure Certificate, the Paying Agent Agreement, the Gas System Resolution and the Official Statement. The Division has complied and, at the Closing, will be in compliance in all material respects with the terms of the City Charter, the Private Act and the Gas System Resolution, as they pertain to such transactions.

(f) By all necessary official action of the City and the Division, respectively, prior to or concurrently with the acceptance hereof, the City and the Division have duly: (i) adopted the Gas System Resolution; (ii) authorized the execution, delivery and performance of this Purchase Agreement, the Series 2020 Gas System Bonds, the Disclosure Certificate, the Paying Agent Agreement and the Gas System Resolution, as applicable; (iii) authorized or ratified the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement and any and all amendments and supplements thereto; and (iv) authorized the taking of any and all such actions as may be required on the part of the City and the Division to carry out, give effect to and consummate the transactions contemplated by the aforesaid instruments.

(g) The Gas System Resolution, the Disclosure Certificate, the Paying Agent Agreement and this Purchase Agreement constitute, when delivered, assuming due authorization, execution and delivery by the other parties thereto, the legal, valid and binding obligations of the City and the Division, as applicable, and the same are enforceable in accordance with their terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws and principles of equity affecting creditors' rights generally or as to the availability of any particular remedy. As such, the Gas System Resolution will constitute, for the benefit of the holders from time to time of the Series 2020 Gas System Bonds, the legally valid and binding pledge of and lien on the Pledged Revenues, subject to the provisions thereof.

(h) When delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Purchase Agreement, the Series 2020 Gas System Bonds will be duly authorized, executed, issued and delivered and will constitute legal, valid and binding limited obligations of the City enforceable in accordance with their terms and the terms of the Gas System Resolution, subject to bankruptcy, insolvency, moratorium, reorganization or other laws and principles of equity affecting creditors' rights generally. The Series 2020 Gas System Bonds are special limited obligations of the City secured solely by an assignment and pledge of the Pledged Revenues.

(i) At the Closing, all approvals, consents and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Series 2020 Gas System Bonds or the execution and delivery of or the performance by the City or the Division of their respective obligations under this Purchase Agreement, the Series 2020 Gas System Bonds or the Gas System Resolution will have been obtained or made and any consents, approvals and orders so received or filings so made will be in full force and effect. Notwithstanding anything to the contrary, no representation is made concerning compliance with the applicable securities or Blue-Sky laws of the various states.

(j) The adoption by the City and the Division, respectively, of the Gas System Resolution, the authorization, execution, delivery and performance of this Purchase Agreement, the Series 2020 Gas System Bonds, the Disclosure Certificate and any other agreement or instrument to which the City or the Division, respectively, is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby or by the Gas System Resolution or the Official Statement and compliance with the provisions of each such agreement or instrument, do not and will not conflict with, or constitute or result in a violation or breach of or a default under, the Constitution of the State or any existing law, administrative regulation, rule, decree or order, state or federal, or material provision of any agreement, indenture, mortgage, lease, note or other instrument to which the City or any assets or properties of the System is subject and do not and will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the taxes, revenues, property or assets of the City under the terms of the Constitution of the State or any law, instrument or agreement.

(k) The City is not in breach of or default in any material respect under the Act, the Revenue Bond Law, the Private Act, the City Charter or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City is, or any of the properties or assets of the Gas System are, otherwise subject, which such breach or default could in any way, materially adversely affect the ability of the City to issue the Series 2020 Gas System Bonds, secure the payment of the Series 2020 Gas System Bonds or enter into any of the agreements or instruments, or consummate any of the transactions, contemplated in this Purchase Agreement, the Gas System Resolution or the Official Statement. No event has occurred and is continuing which constitutes or, with the passage of time or the giving of notice or both, would constitute a default or an event of default by the City under any agreement or instrument to which the City is a party, which such default or event of default could, in any way, materially adversely affect the issuance of or security for the Series 2020 Gas System Bonds.

(l) The Division is not in breach of or default in any material respect under the Act, the Private Act, the City Charter, the Revenue Bond Law or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Division is a party or to which the Division is, or any of the properties or assets of the System are, otherwise subject, which such breach or default could in any way, materially adversely affect the ability of the City to issue the Series 2020 Gas System Bonds, secure the payment of the Series 2020 Gas System Bonds, or enter into any of the agreements or instruments, or consummate any of the transactions, contemplated in this Purchase Agreement, the Gas System Resolution or the Official Statement. No event has occurred and is continuing which constitutes or, with the passage of time or the giving of notice or both, would constitute a default or an event of default by the Division under any agreement or instrument to which the Division is a party, which such default or event of default could, in any way, materially adversely affect the issuance of or security for the Series 2020 Gas System Bonds.

(m) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, other than as may be described in the Official

Statement, pending or, to the best knowledge of the City, threatened, against or affecting the City or any of the officers of the City in their respective capacities as such (or, to the best knowledge of the City, any basis therefor) wherein an unfavorable decision, ruling or finding would in any way materially adversely affect (i) the issuance, sale or delivery of the Series 2020 Gas System Bonds or any of the other transactions contemplated by this Purchase Agreement, the Gas System Resolution or the Official Statement, (ii) the validity or enforceability of the Series 2020 Gas System Bonds, the Gas System Resolution, this Purchase Agreement, the Disclosure Certificate, the Paying Agent Agreement or any other agreement or instrument to which the City is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby, (iii) the collection of the Pledged Revenues or the pledge of or lien on the Pledged Revenues for the payment and security payment of the Series 2020 Gas System Bonds or otherwise pursuant to the Gas System Resolution, or (iv) the excludability of the interest on the Series 2020 Gas System Bonds from federal income taxation under the Internal Revenue Code of 1986, as amended (the "Code").

(n) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, other than as may be described in the Official Statement, pending or, to the best knowledge of the Division, threatened, against or affecting the Division or any of the officers of the Division in their respective capacities as such (or, to the best knowledge of the Division, any basis therefor) wherein an unfavorable decision, ruling or finding would in any way materially adversely affect (i) the issuance, sale or delivery of the Series 2020 Gas System Bonds or any of the other transactions contemplated by this Purchase Agreement, the Gas System Resolution or the Official Statement, (ii) the validity or enforceability of the Series 2020 Gas System Bonds, the Gas System Resolution, this Purchase Agreement, the Disclosure Certificate, the Paying Agent Agreement or any other agreement or instrument to which the Division is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby, (iii) the collection of the Pledged Revenues or the pledge of or lien on the Pledged Revenues for the payment and security payment of the Series 2020 Gas System Bonds or otherwise pursuant to the Gas System Resolution, or (iv) the excludability from federal income taxation of the interest on the Series 2020 Gas System Bonds under the Code.

(o) Neither the City nor the Division will take or omit to take any action, which action or omission would adversely affect the excludability from federal income taxation of the interest on the Series 2020 Gas System Bonds under the Code.

(p) Neither the City nor the Division has entered, nor will they enter, into any contract or arrangement of any kind which might give rise to any lien or encumbrance on any of the Pledged Revenues or any other assets, properties, funds or interests of the City or the Division pledged or made available under the Gas System Resolution for payment of the principal of, premium, if any, or interest on the Series 2020 Gas System Bonds that is superior to or on a parity with the lien of the Series 2020 Gas System Bonds, except in accordance with the provisions of the Gas System Resolution. Nothing herein shall be deemed to apply to the City's general obligation bonds and notes heretofore issued and which may hereafter continue to be issued.

(q) All actions or authorizations incident to or necessary to permit the City and the Division to receive, assign, pledge and use the Pledged Revenues in accordance with, and as

provided in, the Gas System Resolution have been taken or authorized to be taken, as the case may be.

(r) Any certificate signed by any official of the City or the Division and delivered to the Representative or the Underwriters in connection with the issuance or sale of the Series 2020 Gas System Bonds shall be deemed to be a representation and warranty by the City or the Division, as the case may be, to the Underwriters as to the statements made therein.

(s) As disclosed in the Preliminary Official Statement and the Official Statement, the City previously committed to continuing disclosure undertakings with respect to bonds issued by the City and other issuers. During the last five years, due to administrative oversight and the unavailability, on a timely basis, of certain audited financial information, the City failed to timely file its annual continuing disclosure filings in several instances with respect to such bonds.

(t) Other than the Outstanding Gas System Revenue Bonds, Series 2016 and the Gas System Revenue Bonds, Series 2017, there are currently no Outstanding Series Revenue Obligations payable from the General Revenues of the Gas System.

The representations and warranties set forth in this Purchase Agreement shall survive the Closing and shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriters and (ii) payment for the Series 2020 Gas System Bonds.

**SECTION 5. Official Statement: Offering by the Underwriters.**

(a) The City hereby authorizes the distribution by the Underwriters of the Official Statement in connection with the public offering and sale of the Series 2020 Gas System Bonds. The Preliminary Official Statement will be "deemed final" by the City and the Division for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC") promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12. The City shall provide, or cause to be provided, to the Representative a final official statement relating to the Series 2020 Gas System Bonds dated the date hereof (including the cover page and all appendices, exhibits and reports attached thereto, the "Official Statement") and shall cause copies of the Official Statement, in a quantity specified by the Representative as sufficient to enable the Underwriters to comply with applicable rules of the SEC (including Rule 15c2-12) and the Municipal Securities Rulemaking Board (the "MSRB"), to be available to the Underwriters within seven (7) business days of the execution of this Purchase Agreement (but in no event later than two (2) business days before the Closing Date) and in sufficient time to accompany any confirmation that requests payment from any customer of any of the Underwriters. To the extent required by rules of the SEC or the MSRB, the City hereby authorizes the Representative to file, and the Representative hereby agrees to file, the Official Statement with the MSRB or its designee, including submission to the MSRB's Electronic Municipal Market Access system (together with any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and information, "EMMA"), within the timeframe required by Rule G-32 of the MSRB. Such Official Statement shall be delivered in the currently required designated format stated in MSRB Rule G-32 and the EMMA Dataport Manual (as hereinafter defined).

"EMMA Dataport Manual" means the document(s) designated as such and published by the MSRB from time to time that sets forth the processes and procedures with respect to submissions to be made to the primary market disclosure service of EMMA by underwriters under MSRB Rule G-32. Failure of the printer to provide copies of the Official Statement within seven (7) business days after the execution of this Purchase Agreement by the City and the Division will not constitute a breach of this Purchase Agreement by the City or the Division if such failure is proximately caused by the Underwriters or an agent or representative of the Underwriters.

(b) The City authorizes, consents to and ratifies the use by the Underwriters of the Preliminary Official Statement dated [\_\_\_\_\_, 2020], relating to the Series 2020 Gas System Bonds (such Preliminary Official Statement, including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto and any amendments and supplements thereto that may be authorized by the City for use with respect to the Series 2020 Gas System Bonds, being herein called the "Preliminary Official Statement") for the purposes of marketing the Series 2020 Gas System Bonds in connection with the original public offer, sale and distribution of the Series 2020 Gas System Bonds by the Underwriters.

(c) The Underwriters agree to make a bona fide initial public offering of all of the Series 2020 Gas System Bonds in conformance with all applicable rules of the MSRB at the initial offering prices or yields set forth in the Official Statement, but reserve the right to change such prices or yields as they may deem necessary or desirable in connection with the offering and sale of the Series 2020 Gas System Bonds and to sell the Series 2020 Gas System Bonds to dealers (including dealer banks and dealers depositing Series 2020 Gas System Bonds into investment trusts) and others at prices lower than the public offering prices as described herein. The Underwriters also reserve the right to: (i) over-allot or effect transactions which stabilize or maintain the market price of the Series 2020 Gas System Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

(d) The City and the Division shall take all actions as the City or the Division shall determine reasonable to: (i) provide all information reasonably requested by the Representative necessary or desirable to register the Series 2020 Gas System Bonds under, or comply with, any state Blue-Sky laws, provided that in connection therewith neither the City nor the Division shall be required to file a general or special consent to service of process in any jurisdiction, spend any money, qualify to do business in any jurisdiction or register as a dealer or broker in any jurisdiction; and (ii) ensure that the Preliminary Official Statement and the Official Statement at all times during the initial offering and distribution of the Series 2020 Gas System Bonds do not contain any untrue statement of a material fact and do not omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) From the date hereof until the date which is twenty-five (25) days following the "end of the underwriting period", if any event shall occur that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City and the Division (i) shall not

supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative and (ii) shall notify the Representative promptly if any event shall occur, or information comes to the attention of the City or the Division, that it is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City shall prepare and furnish to the Representative, at the City's expense such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the City and the Representative, as the Representative may reasonably request. If such notification shall be given subsequent to the Closing Date, the City also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents the Representative may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement. Any such amendments or supplements that may be authorized under the foregoing provision for use with respect to the Series 2020 Gas System Bonds are hereinafter included within the term "Official Statement."

Unless the Representative otherwise notifies the City in writing, the Underwriters agree that "end of the underwriting period" is used as defined in Rule 15c2-12 and shall occur on the later of (i) the Closing Date or (ii) when the Underwriters no longer retain an unsold balance of the Series 2020 Gas System Bonds; unless otherwise advised in writing by the Representative on or prior to the Closing Date, or otherwise agreed to by the City and the Representative, the City may assume that the end of the underwriting period is the Closing Date. The Representative shall, at its own expense, submit the Official Statement to EMMA within the timeframe required by Rule G-32 of the MSRB. The Representative will comply with the provisions of MSRB Rule G-32 as in effect on the date hereof, including without limitation with respect to the submission of Form G-32 and the Official Statement, and will notify the City of the date on which the Official Statement has been filed with EMMA.

(f) If the Official Statement is supplemented or amended pursuant to subsection (e) of this Section 5, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the date of Closing, the City and the Division will take all steps necessary to ensure that the Official Statement, as supplemented or amended, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(g) The Preliminary Official Statement and the Official Statement may be delivered in printed or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed upon by the City or the Division and the Underwriters. If the Preliminary Official Statement or the Official Statement is prepared for distribution in electronic form, the City and the Division hereby confirm that it does not object to distribution of the Preliminary Official Statement or the Official Statement in electronic form.

**SECTION 6. Establishment of Issue Price.**

(a) The Representative, on behalf of the Underwriters, agrees to assist the City and the Division in establishing the issue price of the Series 2020 Gas System Bonds and shall execute and deliver to the City at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **EXHIBIT F**, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the City and Co-Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2020 Gas System Bonds.

(b) [Except as otherwise set forth in **Schedule 1** attached hereto, if any,] the City and the Division will treat the first price at which 10% of each maturity of the Series 2020 Gas System Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Representative shall report to the City and the Division the price or prices at which the Underwriters have sold to the public each maturity of the Series 2020 Gas System Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Series 2020 Gas System Bonds, the Representative agrees to promptly report to the City and the Division the prices at which Series 2020 Gas System Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Series 2020 Gas System Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Series 2020 Gas System Bonds of that maturity, provided that, the Underwriters’ reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the City, the Division or bond counsel.] For purposes of this Section, if Series 2020 Gas System Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2020 Gas System Bonds .

(c) The Representative confirms that the Underwriters have offered the Series 2020 Gas System Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in **Schedule 1** attached hereto, if any, except as otherwise set forth therein. **Schedule 1**, if any, also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Series 2020 Gas System Bonds for which the 10% test has not been satisfied and for which the City and the Division and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the City and the Division to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2020 Gas System Bonds, the Underwriters will neither offer nor sell unsold Series 2020 Gas System Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) The close of the fifth (5<sup>th</sup>) business day after that sale date;

or

(2) The date on which the Underwriters have sold at least 10% of that maturity of the Series 2020 Gas System Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the City and the Division promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the Series 2020 Gas System Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(i) Any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2020 Gas System Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Series 2020 Gas System Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2020 Gas System Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Series 2020 Gas System Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative and (B) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires,

(B) to promptly notify the Representative of any sales of Series 2020 Gas System Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Securities to the public (each such term being used as defined below); and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) Any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2020 Gas System Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2020 Gas System Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to

(A) report the prices at which it sells to the public the unsold Series 2020 Gas System Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2020 Gas System Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Series 2020 Gas System Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

The City and the Division acknowledge that, in making the representations set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Series 2020 Gas System Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020 Gas System Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2020 Gas System Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2020 Gas System Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020 Gas System Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that any Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2020 Gas System Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2020 Gas System Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020 Gas System Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City and the Division further acknowledge that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Series 2020 Gas System Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020 Gas System Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the hold-the-offering-price rule, if applicable, to the Series 2020 Gas System Bonds.

(e) The Underwriters acknowledge that sales of any Series 2020 Gas System Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2020 Gas System Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City and the Division (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020 Gas System Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2020 Gas System Bonds to the public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2020 Gas System Bonds to the public),

(iii) A purchaser of any of the Series 2020 Gas System Bonds is a "related party" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership by their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Agreement by all parties.

**SECTION 7. Issuance, Sale and Purchase of Series the 2020 Gas System Bonds.** On the basis of the representations and warranties contained herein and the other agreements referred to herein and subject to the terms and conditions set forth herein, the City agrees to issue and sell to the Underwriters and the Underwriters agree to purchase from the City all (but not less than all) of the Series 2020 Gas System Bonds at an aggregate price of [\$ \_\_\_\_\_], which represents the par amount of the Series 2020 Gas System Bonds of [\$ \_\_\_\_\_], plus a bond premium in the amount of [\$ \_\_\_\_\_], less an underwriting discount of [\$ \_\_\_\_\_].

Having approved the terms of such issuance and sale, the City hereby agrees to sell the Series 2020 Gas System Bonds to the Underwriters, subject to the terms of this Purchase Agreement. The delivery and sale of the Series 2020 Gas System Bonds (the "Closing") will be at such place in Memphis, Tennessee, as the City or the Division may designate, by 1:00 p.m., Central Daylight Time, on [September \_\_\_\_, 2020], or at such other time or such other place or on such other date as the City and the Representative may agree (the "Closing Date"). On the Closing Date, (i) the City will deliver the Series 2020 Gas System Bonds to the Underwriters, in definitive form and duly executed through the FAST system of registration with The Depository Trust Company, New York, New York ("DTC"), at such place in Memphis, Tennessee, as the Representative may designate or at such other place as the City and the Representative may agree upon, (ii) the City will deliver to the Representative in Memphis, Tennessee, the closing documents referenced in Section 8 hereof, and (iii) the Underwriters will accept such delivery and pay the aggregate purchase price as set forth in this Section 7 by wire transfer to the Division, on

behalf of the City, of immediately available federal funds, subject to the provisions of Section 8 hereof.

A single typewritten bond for each maturity of each series of the Series 2020 Gas System Bonds shall be delivered by the City, duly executed and authenticated, with CUSIP identification numbers thereon, registered in the name of Cede & Co., as nominee of DTC.

**SECTION 8. Conditions.** The Underwriters' obligations hereunder are subject to:

(a) The accuracy on the Closing Date, as if made as of such date, of all representations and warranties of the City and the Division contained in this Purchase Agreement, the Gas System Resolutions, the Preliminary Official Statement and the Official Statement;

(b) The due performance by the City and the Division of their obligations hereunder and under the Gas System Resolution;

(c) At the time of the Closing, the Gas System Resolution is in full force and effect, without amendment, modification or supplement except to the extent agreed upon by the Representative;

(d) All official action of the City relating to this Purchase Agreement, the Series 2020 Gas System Bonds, the Disclosure Certificate and the Gas System Resolution being, at the time of the Closing, in full force and effect, without amendment, modification or supplement except to the extent agreed upon by the Representative;

(e) The delivery of the Bond Series Certificate with respect to the Series 2020 Gas System Bonds required under the Third Supplemental Resolution setting forth terms of the Series 2020 Gas System Bonds which are not inconsistent with this Purchase Agreement;

(f) There being no material change in the condition (financial or otherwise) of the City or the Division between the most recent dates for which information is given in the Official Statement and the Closing Date, other than as reflected in or contemplated by the Official Statement, and there being on the Closing Date no material transactions or obligations (not in the ordinary course of business) entered into by the City or the Division subsequent to the date of the Official Statement other than as reflected in or contemplated by the Official Statement; and

(g) Delivery of all documentation required by Section 9 hereof.

**SECTION 9. Closing Documentation.** There shall be delivered to the Underwriters at Closing the following, in form and substance reasonably satisfactory to: the Representative; Butler Snow, LLP, Memphis, Tennessee, and The Wade Law Firm, PLLC, Memphis, Tennessee, as co-bond counsel (together, "Co-Bond Counsel"); and Carpenter Law, PLLC, Memphis, Tennessee ("Underwriters' Counsel"):

(a) The Official Statement executed on behalf of the City by the duly authorized officials or representatives thereof;

- (b) A certificate of the Division regarding this Purchase Agreement;
- (c) A certificate of the City regarding this Purchase Agreement;
- (d) A certificate from the City and the Division with respect to arbitrage and other tax matters in a form acceptable to Co-Bond Counsel;
- (e) Certified copies of the Master Gas Resolution and the Third Supplemental Resolution;
- (f) A specimen Series 2020 Gas System Bond;
- (g) The unqualified approving opinion of Co-Bond Counsel, in substantially the form thereof set forth in the Official Statement, either addressed to the Underwriters or accompanied by a letter from Co-Bond Counsel to the Underwriters stating that the Underwriters may rely upon such opinion;
- (h) The supplemental opinion of Co-Bond Counsel, addressed to the Representative, in substantially the form attached as **EXHIBIT B** hereto;
- (i) The opinion of the Chief Legal Counsel/City Attorney, addressed to the Underwriters, in substantially the form attached as **EXHIBIT C** hereto;
- (j) The opinion of General Counsel to the Division, addressed to the Underwriters, in substantially the form attached as **EXHIBIT D** hereto;
- (k) The opinion of Underwriters' Counsel in substantially the form attached as **EXHIBIT E** hereto;
- (l) Verification that the Division's Blanket Letter of Representation to the Depository Trust Company is in effect with respect to the Series 2020 Gas System Bonds;
- (m) Written evidence that Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") have assigned ratings of at least ["\_\_\_"] and ["\_\_\_"], respectively, to the Series 2020 Gas System Bonds;
- (n) A fully executed copy of the Disclosure Certificate; and
- (o) Such additional legal opinions, certificates, proceedings, instruments and other documents the Underwriters, Underwriters' Counsel or Co-Bond Counsel may reasonably request to evidence compliance by the City and the Division with applicable legal requirements.

**SECTION 10. Termination.** The Representative may terminate this Purchase Agreement at any time prior to the Closing Date by notice to the other parties hereto if, between the date hereof and the Closing Date:

(a) Legislation shall be enacted by the Congress of the United States, or a bill introduced (by amendment or otherwise) or favorably reported or passed by either the House of Representatives or the Senate of the Congress of the United States or any committee of the House or Senate, or a conference committee of such House and Senate makes a report (or takes any other action), or a decision by a court of the United States or the Tax Court of the United States shall be rendered, or a ruling, regulation or fiscal action shall be issued or proposed by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency with respect to or having the purpose or effect of changing directly or indirectly the federal income tax consequences of interest on the Series 2020 Gas System Bonds in the hands of the holders thereof (including imposition of a not previously existing minimum federal tax which includes tax-exempt interest in the calculation of such tax), which, in the reasonable opinion of the Underwriters, has, or will, materially adversely affect the market price or the marketability of the Series 2020 Gas System Bonds.

(b) Any legislation, rule or regulation shall be introduced in, or be enacted by any department or agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the reasonable opinion of the Underwriters, materially adversely affects the market for the Series 2020 Gas System Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2020 Gas System Bonds to be purchased by the Underwriters.

(c) Any event shall have occurred or condition shall exist that, in the reasonable opinion of the Underwriter, makes untrue or incorrect in any material respect as of the Closing Date any material statement of information contained in the Official Statement or that is not reflected in the Official Statement but should be reflected therein as of such time in connection with the offering and sale of the Series 2020 Gas System Bonds in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading in any material respect as of such time including, without limitation, events or conditions relating to the business and affairs of the City; or

(d) There shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, financial or otherwise, affecting the effective operation of the government of, or the financial community in, the United States, including a general suspension of trading on any national securities exchange, which materially adversely affects the market for the Series 2020 Gas System Bonds or the sale of the Series 2020 Gas System Bonds, at the contemplated offering prices, by the Underwriters, in the reasonable opinion of the Underwriters.

(e) The marketability of the Series 2020 Gas System Bonds, the market price thereof or the sale of the Series 2020 Gas System Bonds at the contemplated offering prices, in the reasonable opinion of the Underwriters, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets, making it impracticable for the Underwriters to market the Series 2020 Gas System Bonds or to enforce contracts for the sale of the Series 2020 Gas System Bonds (it being agreed by the parties hereto that no such event, occurrence or condition exists as of the date hereof).

(f) A general banking moratorium shall have been declared by the United States, New York or State authorities which in the reasonable opinion of the Underwriters, materially adversely affects the market for the Series 2020 Gas System Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2020 Gas System Bonds to be purchased by the Underwriters.

(g) Any national securities exchange, or any governmental authority, shall impose, as to the Series 2020 Gas System Bonds or obligations of the general character of the Series 2020 Gas System Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters.

(h) There shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to the Series 2020 Gas System Bonds or to any of the Gas Division's obligations, which, in the reasonable opinion of the Underwriters, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2020 Gas System Bonds to be purchased by the Underwriters; or any proceeding shall be pending or threatened by the Securities and Exchange Commission against the City.

(i) Any stop order or legislation shall have been enacted or a bill shall have been reported out of a legislative committee, any decision by a court of the United States shall have been rendered or any stop order, ruling, regulation or official statement by or on behalf of the SEC or other governmental agency shall have been made to the effect that (i) obligations of the general character of the Series 2020 Gas System Bonds or the Gas System Bond Resolution, in the reasonable opinion of counsel to the Underwriters, are not exempt from registration, qualification or other requirements of the Securities Act of 1933, as amended (the "Securities Act"), or the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or (ii) the issuance, offering or sale of the Series 2020 Gas System Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Series 2020 Gas System Bonds, is or would be in violation of any provision of the federal securities laws on the Closing Date, including the Securities Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the Trust Indenture Act; or

(j) Any litigation (not already disclosed) shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2020 Gas System Bonds or in any way contesting or questioning any authority for or the validity of the Series 2020 Gas System Bonds or the money or revenues pledged to the payment thereof or the Gas System Bond Resolution or any of the proceedings of the City or the Division taken with respect to the issuance and sale thereof.

#### **SECTION 11. Expenses.**

(a) The City shall pay, or cause to be paid, all expenses and costs of the City and the Division incident to the performance of their obligations in connection with the authorization, issuance and sale of the Series 2020 Gas System Bonds to the Underwriters, including but not limited to the costs of pre-sale advertising of the Series 2020 Gas System Bonds; printing or

reproducing the Preliminary Official Statement, the Official Statement, the Gas System Resolution and all ancillary papers; fees and expenses of consultants, including the fees and expenses of Co-Bond Counsel, Stephens Inc. and ComCap Partners, co-municipal advisors to the Division, the independent accountants of the Division, rating agencies, the Paying Agent, the Underwriters, Underwriters' Counsel and any other engineers, accountants, experts, consultants or advisors retained by the City or the Division.

(b) The Underwriters shall pay all advertising expenses in connection with the public offering of the Series 2020 Gas System Bonds.

(c) If this Purchase Agreement shall be terminated by the Underwriters because of any failure or refusal on the part of the City or the Division to comply with the terms or to fulfill any of the conditions hereof or if, for any reason, the City or the Division shall be unable to perform its obligations under this Purchase Agreement, the City or the Division shall reimburse the Underwriters for all out-of-pocket expenses reasonably incurred by the Underwriters in connection with this Purchase Agreement or the offering contemplated hereunder.

**SECTION 12. Finders.** The City, the Division and the Underwriters each represents and warrants that no finder or other agent has been employed or consulted by it in connection with this transaction.

**SECTION 13. No Fiduciary Duty Provisions.** The City and the Division acknowledge and agree that: (i) the purchase and sale of the Series 2020 Gas System Bonds pursuant to this Purchase Agreement is an arm's length commercial transaction among the City, the Division and the Underwriters; (ii) in connection with such transaction, including the process leading thereto, each of the Underwriters is acting solely as a principal and not as an agent or a fiduciary of the City or the Division; (iii) the Underwriters have neither assumed an advisory or fiduciary responsibility in favor of the City or the Division with respect to the offering of the Series 2020 Gas System Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of the Underwriters, have advised or is currently advising the City or the Division on other matters) nor has it assumed any other obligation to the City or the Division except the obligations expressly set forth in this Purchase Agreement; (iv) the Underwriters have financial and other interests that differ from those of the City or the Division; and (v) the City or the Division have consulted with its own legal and financial advisors to the extent they deemed appropriate in connection with the offering of the Series 2020 Gas System Bonds.

**SECTION 14. Notices.** Any notice or other communication under this Purchase Agreement may be given by delivering the same in writing to the City, at the address of the City set forth above to, the attention of Shirley Ford, Chief Financial Officer, 125 North Main Street, Room 368, Memphis, Tennessee 38103; to the Division at the address of the Division set forth above, to the attention of Dana Jeanes, Senior Vice-President, Chief Financial Officer, Chief Administrative Officer and Secretary-Treasurer; and to the Underwriters as follows: Raymond James & Associates, Inc., 50 North Front Street, 16<sup>th</sup> Floor, Memphis, Tennessee 38103 (Attention: Mr. Chad Myers, Senior Vice-President).

**SECTION 15. Governing Law.** This Purchase Agreement shall be governed by the applicable laws of the State of Tennessee.

**SECTION 16. Counterparts.** This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

**SECTION 17. Effective Date and Time.** This Purchase Agreement shall become effective upon the date and time of acceptance hereof by the City and the Division.

**SECTION 18. Severability.** If any provision of this Purchase Agreement shall be held or deemed to be, or shall in fact be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Purchase Agreement invalid, inoperative or unenforceable to any extent whatsoever.

**SECTION 19. Miscellaneous.** This Purchase Agreement is made solely for the benefit of, and is binding on each of, the parties and their respective successors and assigns. No party to this Purchase Agreement may assign its interest herein. This Purchase Agreement is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by all of the parties hereto.

*[Signatures on Following Page]*

*[Signature Page to the Bond Purchase Agreement]*

**(Memphis Light, Gas and Water Division  
Gas System Revenue Bonds, Series 2020)**

**RAYMOND JAMES & ASSOCIATES, INC., as  
Representative of the Underwriters**

By: \_\_\_\_\_  
**Chad Myers  
Senior Vice-President**

Accepted:

**CITY OF MEMPHIS, TENNESSEE**

By: \_\_\_\_\_  
**Jim Strickland  
Mayor**

Acknowledged:

**MEMPHIS LIGHT, GAS AND WATER DIVISION,  
on behalf of the City of Memphis, Tennessee**

By: \_\_\_\_\_  
**Jarl T. Young  
President and Chief Executive Officer**

**EXHIBIT A**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,  
PRICES, YIELDS**

**\$ \_\_\_\_\_  
GAS SYSTEM REVENUE BONDS  
SERIES 2020**

<b><u>Maturity</u></b> <b><u>(December 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Price</u></b>	<b><u>Yield</u></b>
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**EXHIBIT B**

[FORM OF SUPPLEMENTAL OPINION OF CO-BOND COUNSEL]

**EXHIBIT C**

[FORM OF OPINION OF CHIEF LEGAL COUNSEL TO THE CITY]

**EXHIBIT D**

[FORM OF OPINION OF GENERAL COUNSEL TO THE DIVISION]

**EXHIBIT E**

[FORM OF OPINION OF UNDERWRITERS' COUNSEL]

## EXHIBIT F

### [FORM OF ISSUE PRICE CERTIFICATE]

The undersigned, on behalf of Raymond James & Associates, Inc. (“the “Representative”), for itself and on behalf of Duncan-Williams Inc., FHN Financial Capital Markets and Siebert Williams Shank & Co., LLC (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

**Sale of the General Rule Maturities.** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least ten percent (10%) of such Maturity was sold to the Public is the respective price listed in **Schedule A**.

**Initial Offering Price of the Hold-the-Offering-Price Maturities.**

The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in **Schedule A** (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as **Schedule B**.

As set forth in the Bond Purchase Agreement, the Representative and the Underwriting Group have agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

**Defined Terms.**

“*General Rule Maturities*” means those Maturities of the Bonds listed in **Schedule A** hereto as the “General Rule Maturities.”

“*Hold-the-Offering-Price Maturities*” means those Maturities of the Bonds listed in **Schedule A** hereto as the “Hold-the-Offering-Price Maturities.”

“*Holding Period*” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth (5<sup>th</sup>) Business Day after the \_\_\_ day of September 2020, or (ii) the date on which the Representative and the Underwriting Group have sold at least ten percent (10%) of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

“*Issuer*” means City of Memphis, Tennessee, a legal entity that develops, registers and sells securities to finance its operations and are legally responsible for the obligations of the issue and for reporting financial conditions, material developments and any other operational activities as required by the regulations of Tennessee.

“*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

“*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent (50%) common ownership, directly or indirectly.

“*Sale Date*” means the first (1<sup>st</sup>) day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is September \_\_, 2020.

“*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

**Yield.**

The yield on the Bonds has been calculated to be not less than \_\_\_\_%.

**Weighted Average Maturity.**

The weighted average maturity of the Bonds has been calculated to be \_\_\_\_ years.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City of Memphis, Tennessee and the Division with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by The Wade Law Firm, PLLC, and Butler Snow LLP, Co-Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the Issuer and the Borrower from time to time relating to the Bonds.

[Signature on Following Page]

*[Signature Page for Issue Price Certificate]*

**RAYMOND JAMES & ASSOCIATES, INC., as  
Representative of the Underwriters**

By: \_\_\_\_\_  
**Chad Myers  
Senior Vice-President**

Dated: September \_\_, 2020

THIS PRELIMINARY OFFICIAL STATEMENT IS DATED [\_\_\_\_\_, 2020]

**NEW ISSUE (Book-Entry Only)**

**RATINGS: See "Ratings" herein**

*In the opinion of Co-Bond Counsel, under existing laws, regulations, rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Series 2020 Tax-Exempt Bonds (defined in "TAX MATTERS" herein) is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2020 Tax-Exempt Bonds (the "Code"), and is excludable from federal alternative minimum taxable income as defined in Section 55(b)(2) of the Code. In the opinion of Co-Bond Counsel, interest on the Series 2020 Taxable Bonds (defined in "TAX MATTERS" herein) is included in gross income for federal income tax purposes. Co-Bond Counsel is further of the opinion that, under existing law, the Series 2020 Tax-Exempt Bonds and the income therefrom shall be free from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes, and Tennessee franchise and excise taxes. For a more complete description, see "TAX MATTERS" herein.*

**CITY OF MEMPHIS, TENNESSEE  
MEMPHIS LIGHT, GAS AND WATER DIVISION**

**\$160,000,000\***  
**ELECTRIC SYSTEM REVENUE BONDS,  
SERIES 2020A**



**\$53,000,000\***  
**ELECTRIC SYSTEM REVENUE  
REFUNDING BONDS, SERIES 2020B  
(Federally Taxable)**

**\$70,000,000\***  
**GAS SYSTEM REVENUE BONDS,  
SERIES 2020**

**\$75,000,000\***  
**WATER SYSTEM REVENUE BONDS,  
SERIES 2020**

**Dated: Date of Delivery**

**Due: As shown on the inside cover**

The City of Memphis, Tennessee (the "City") at the request of the Board of Commissioners (the "Board") of the Memphis Light, Gas and Water Division ("MLGW" or the "Division") is issuing four separate financings for the Electric, Gas and Water Divisions as set forth herein. Described in this Official Statement are the [\$160,000,000\*] Electric System Revenue Bonds, Series 2020A (the "Series 2020A Electric System Bonds"), the [\$53,000,000\*] Electric System Revenue Refunding Bonds, Series 2020B (Federally Taxable) (the "Series 2020B Electric System Refunding Bonds"), the [\$70,000,000\*] Gas System Revenue Bonds, Series 2020 (the "Series 2020 Gas System Bonds") and the [\$75,000,000\*] Water System Revenue Bonds, Series 2020 (the "Series 2020 Water System Bonds") and together with the Series 2020A Electric System Bonds, the Series 2020B Electric System Refunding Bonds and the Series 2020 Gas System Bonds, are collectively referred to herein as the "Series 2020 Bonds". The Series 2020 Bonds are being issued by the City pursuant to certain provisions of Tennessee law, the Charter of the City and to certain resolutions adopted by the Board and the Council of the City (the "City Council") as further described herein.

The Series 2020A Electric System Bonds are being issued to (i) finance the costs of acquiring, expanding and/or improving the Electric System (defined herein) and to (ii) pay certain costs of issuance with respect to the Series 2020A Electric System Bonds. The Series 2020B Electric System Refunding Bonds are being issued to (i) advance refund on a federally taxable basis, all or a portion of the outstanding Electric System Revenue Bonds, Series 2014 (the "Refunded Bonds") and (ii) pay certain costs of issuance with respect to the Series 2020B Electric System Refunding Bonds. See "PLAN OF FINANCE - Series 2020A Electric System Revenue Bonds and Series 2020B Electric System Refunding Bonds" herein and "**APPENDIX A - OPERATING INFORMATION REGARDING THE ELECTRIC DIVISION - CAPITAL IMPROVEMENT PROGRAM OF ELECTRIC DIVISION AND SOURCES OF FUNDING**" attached hereto.

The Series 2020 Gas System Bonds are being issued to (i) finance the costs of acquiring, expanding and/or improving the Gas System (defined herein) and to (ii) pay certain costs of issuance with respect to the Series 2020 Gas System Bonds. See "PLAN OF FINANCE - Series 2020 Gas System Bonds" herein and "**APPENDIX B - OPERATING INFORMATION REGARDING THE GAS DIVISION - CAPITAL IMPROVEMENT PROGRAM OF GAS DIVISION AND SOURCES OF FUNDING**" attached hereto. The Series 2020 Water System Bonds are being issued to (i) finance the costs of acquiring, expanding and/or improving the Water System (defined herein) and to (ii) pay certain costs of issuance with respect to the Series 2020 Water System Bonds. See "PLAN OF FINANCE - Series 2020 Water System Bonds" herein and "**APPENDIX C - OPERATING INFORMATION REGARDING THE WATER DIVISION - CAPITAL IMPROVEMENT PROGRAM OF WATER DIVISION AND SOURCES OF FUNDING**" attached hereto.

The Series 2020A Electric System Bonds and the Series 2020B Electric System Refunding Bonds will be secured solely by the Electric System Pledged Revenues (defined herein). The Series 2020 Gas System Bonds will be secured solely by the Gas System Pledged Revenues (defined herein). The Series 2020 Water System Bonds will be secured solely by the Water System Pledged Revenues (defined herein). All capitalized terms used herein and not otherwise defined herein are used with the meanings assigned thereto in "**APPENDIX F - SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION**", "**APPENDIX G - SUMMARY OF CERTAIN PROVISIONS OF THE GAS SYSTEM RESOLUTION**" and "**APPENDIX H - SUMMARY OF CERTAIN PROVISIONS OF THE WATER SYSTEM RESOLUTION**," respectively, attached hereto.

The Series 2020 Bonds will be dated the date of their delivery and will bear interest from the dated dates thereof, at the rates set forth on the inside cover of this Official Statement. Interest on the Series 2020 Bonds is payable semiannually on June 1 and December 1 of each year, commencing [\_\_\_\_\_] 1, 202[\_\_\_\_]. Principal on the Series 2020 Bonds is payable on December 1 of each year, commencing [December 1, 202\_\_\_\_]. See "DESCRIPTION OF THE SERIES 2020 BONDS" herein. [The Series 2020 Bonds are subject to redemption prior to maturity as described herein. See "REDEMPTION PROVISIONS" herein]. The Series 2020 Bonds shall be fully registered bonds without coupons in denominations of \$5,000 as described herein and integral multiples thereof, and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York, ("DTC") to which principal and interest will be paid. Beneficial owners of the Series 2020 Bonds will not receive physical delivery of Series 2020 Bond certificates except as described herein. Regions Bank, Nashville, Tennessee, will act as the initial bond registrar and paying agent for the Series 2020 Bonds (in that capacity, the "Bond Registrar and Paying Agent"). See "DESCRIPTION OF THE SERIES 2020 BONDS - Book-Entry Only System" herein.

The Series 2020 Bonds are being issued as General Revenue Obligations under the Electric System Resolution (as defined herein), Gas System Resolution (as defined herein) and Water System Resolution (as defined herein), respectively, and, as such, are limited obligations of the City payable solely from and secured by a pledge of the Electric System Pledged Revenues (as defined herein), Gas System Pledged Revenues (as defined herein) and Water System Pledged Revenues (as defined herein), respectively. The Electric System Pledged Revenues, the Gas System Pledged Revenues and the Water System Pledged Revenues, respectively, are permitted to be used only for payment for the principal, premium (if any) and interest of the Series 2020 Bonds for the particular system to which they relate. See "Security and Source of Payment for the Series 2020 Bonds" herein.

**THE SERIES 2020 BONDS DO NOT CONSTITUTE A DEBT OF THE CITY OR MLGW WITHIN THE MEANING OF ANY CONSTITUTIONAL, CITY CHARTER OR STATUTORY LIMITATION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TENNESSEE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, IS PLEDGED TO THE PAYMENT OF THE SERIES 2020 BONDS, AND NO HOLDER OF THE SERIES 2020 BONDS SHALL HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWERS OF THE CITY TO PAY THE SERIES 2020 BONDS, OR THE INTEREST THEREON, AND THE SERIES 2020 BONDS, INCLUDING THE INTEREST THEREON, ARE LIMITED OBLIGATIONS OF THE CITY AND MLGW AS PROVIDED IN THE ELECTRIC SYSTEM RESOLUTION, THE GAS SYSTEM RESOLUTION AND THE WATER SYSTEM RESOLUTION, RESPECTIVELY, PAYABLE SOLELY FROM THE ELECTRIC SYSTEM PLEDGED REVENUES, THE GAS SYSTEM PLEDGED REVENUES AND THE WATER SYSTEM PLEDGED REVENUES, RESPECTIVELY. THE SERIES 2020 BONDS DO NOT CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE UPON ANY OTHER PROPERTY OF THE CITY EXCEPTING ONLY THE ELECTRIC SYSTEM PLEDGED REVENUES, THE GAS SYSTEM PLEDGED REVENUES AND THE WATER SYSTEM PLEDGED REVENUES, RESPECTIVELY.**

This cover page contains limited information for quick reference only. It is not a summary of the matters relating to the Series 2020 Bonds. Potential investors must read this entire Official Statement (including the cover page and all appendices attached hereto) to obtain information essential to the making of an informed investment decision.

*The Series 2020 Bonds are being offered when, as and if issued by the City and received by the Underwriters, subject to prior sale and to withdrawal or modification of the offer without notice, and subject to the approving opinions of The Wade Law Firm, PLLC and Butler Snow LLP, both of Memphis, Tennessee, Co-Bond Counsel to MLGW. Certain legal matters will be passed upon for the Underwriters by their counsel Carpenter Law, PLLC, Memphis, Tennessee. Certain legal matters will be passed upon for the City by Jennifer A. Snik, Esquire, Chief Legal Counsel City Attorney. Certain legal matters will be passed upon for MLGW by Cheryl W. Patterson, Esquire, Vice-President and General Counsel to MLGW. ComCap Partners, Memphis, Tennessee and Stephens Inc., Nashville, Tennessee are serving as Co-Financial Advisors to MLGW. It is anticipated that the delivery of the Series 2020 Bonds will be made on or about [\_\_\_\_\_, 2020] through the facilities of DTC in New York, New York.*

**RAYMOND JAMES**

**Duncan-Williams, Inc.**

**FHN Financial Capital Markets**

**Siebert Williams Shank & Co., LLC**

This Official Statement is dated [\_\_\_\_\_, 2020]

\*Preliminary subject to change

THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO COMPLETION OR AMENDMENT. Under no circumstances shall this Preliminary Official Statement constitute an offer in sell or a solicitation of any offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction. As of this date, this Preliminary Official Statement has been deemed "final" by the Division for purposes of SEC Rule 15c2-12(b)(1).